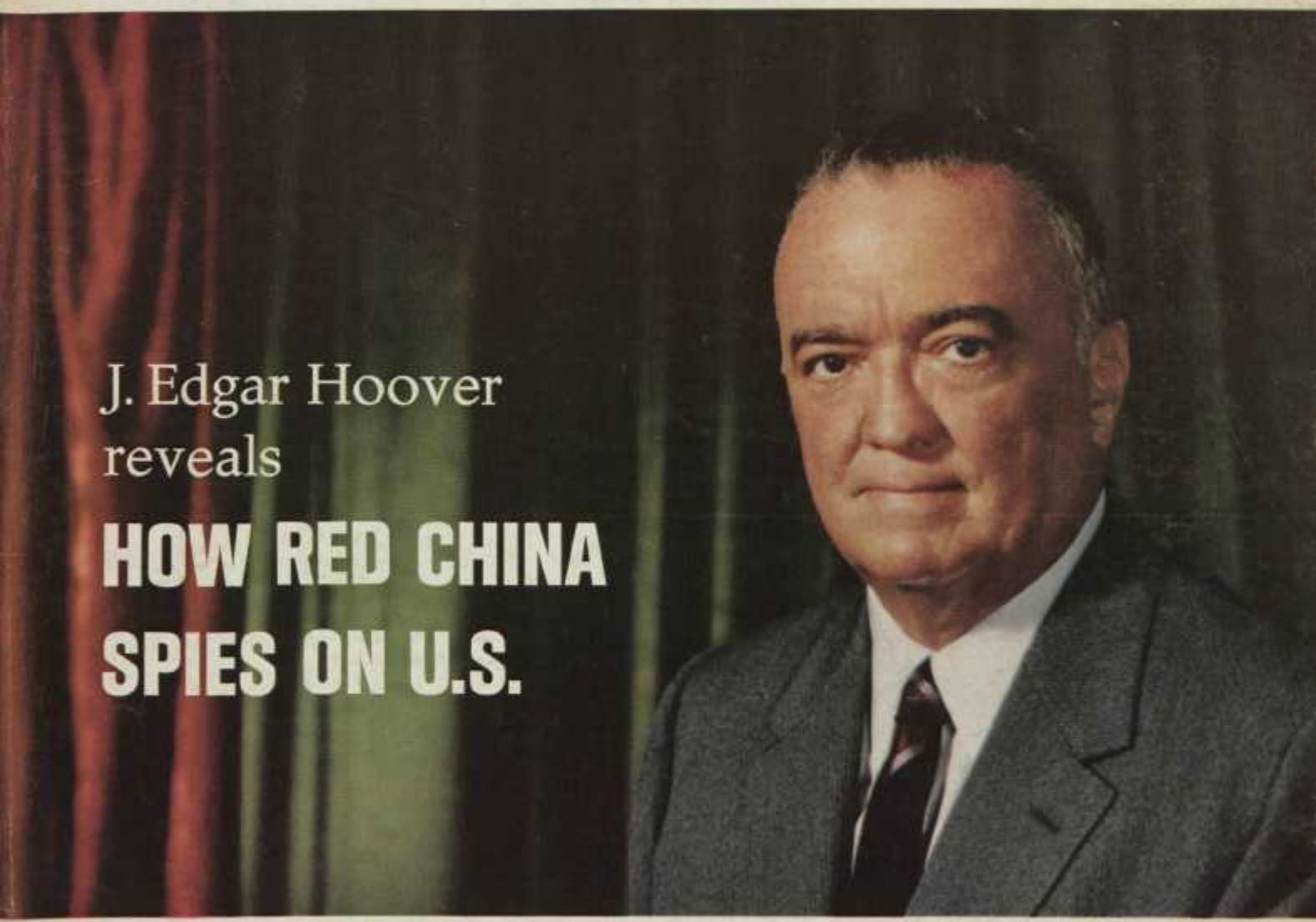
Nation's Business

A USEFUL LOOK AHEAD

JUNE 1966



J. Edgar Hoover reveals

HOW RED CHINA SPIES ON U.S.

Why politics needs business in '66

Sell more with fewer salesmen

Sarnoff tells how to see what's ahead

Besides looking nice, the modern ceiling has a lot to do: light, distribute air, quiet noise, protect against fire. The conventional approach to getting it all done is to pick a good system for each function, then pull them all together as attractively as possible. Almost always, some sacrifice is inherent in this approach. Performance gives way to looks. Or vice versa. Or a bit of both.

Now consider another approach: a single ceiling system in which all the required functions have been carefully, cleverly, attractively integrated. *Before* the act, so to speak. Seem more logical?

It did to us. So we designed that system. In fact, we developed three (the one below being the "C-60" version—our latest). We call them Armstrong Luminaire Ceiling Systems, and their success says we were right.



Below, a peek at the future. In this retail setting of moving floors, plush "speaker" seats, computerized sales, and televised displays, the customer is truly king. Innovation like this? Soon. The ceiling? Here today.

Luminaire systems have out-performed practically every conventional ceiling pitted against them. On lighting, on air distribution, on acoustical control, on looks. And they've saved a lot of people a lot of money doing it:

Because air distribution with Luminaire requires no diffusers and a minimum of ductwork, installation costs are often up to 30¢ a square foot lower than with conventional ceilings.

Because rated fire protection can be built into Luminaire, in most instances there's no need for a separate fire barrier. And that can mean another 30¢ a square foot saved.

Because Luminaire's V-shaped lighting modules are larger, more open, and more reflective than most conventional fixtures, desired lighting levels can usually be achieved using fewer lamps. So lighting and lamp-replacement bills are cut.

Fewer lamps also mean less heat in the room. So air-conditioning costs go down, too.

We could go on. But you get the point. We think we've got a very good solution to one of the biggest problems on the current construction scene: "How to get more useful work out of a ceiling . . . and save money doing it." Our booklet by that title spells it all out. Write for it and see what you think. Armstrong, 4206 Mercantile Street, Lancaster, Pennsylvania.

CEILING SYSTEMS BY
Armstrong

MEET THE SYNERGISTIC CEILING:





"Al, you know that Toledo prospect?"



"I sure do . . ."



"They're interested in the R-12."



"Great! I'll get out there today."



"Before the competition!"



"Right. Sure glad you called."

Want to pass along a hot sales lead? Take a new look at Long Distance!

Long Distance is the fast, inexpensive way to pass along a hot sales lead before it cools off. And the way to keep a jump ahead of competition.

With this efficient, low-cost sales tool at your fingertips, silence is expensive.

Find out the many ways planned use of Long Distance can help you. Let our Communications Consultant discuss them with you. Just call your Bell Telephone Business Office.

Bell System
American Telephone & Telegraph and Associated Companies

Nation's Business

June 1966 Vol. 54 No. 6

Published by the Chamber of Commerce of the United States
The national federation of organizations representing
4,750,000 companies and professional and business men
Washington, D.C.

7 WASHINGTON: A LOOK AHEAD

Latest look at when war will squeeze the economy tightest; landmark legislative elections coming; Congress and 1967

16 EXECUTIVE TRENDS: Doubling your leadership

Sharing command with another manager may help you gain higher efficiency; here's how the system works in practice

23 WASHINGTON MOOD: When friends fall out

President Johnson is having his troubles in maintaining the consensus he wants, especially over Viet Nam policy

27 STATE OF THE NATION: Where business leads

World trade prospects now are entering a new, promising stage as shifts occur in the power and influence of nations

31 RIGHT OR WRONG: Promises won't work

Promise-her-anything technique just isn't effective in the war on poverty; Washington finds the poor too explosive

35 What we are learning in Viet Nam

Whatever you think about Viet Nam, the untold story of the war is that it's making our defenses stronger; here's how

38 New way to roll out the pork barrel

Your taxes help pay for this political innovation designed to re-elect freshman Congressmen with federal grants, favors

40 The buck's being passed to you

As the politicians and public become more worked up over inflation, a strange anti-profit theme is now being played

42 Why politics needs business in '66

Four experts assembled by Nation's Business discuss the benefits and risks of political participation by businessmen

46 Bright young men choose business careers
Survey reveals that college graduates today have new ideas about their role in business; here is how to attract them

47 How to keep the go-getters
Too many companies delay giving genuine responsibility to their trainees; expert offers tips to correct this fault

48 BUSINESS: A LOOK AHEAD
Demand for quieter equipment rises; freight cars exempted from spending hold-down; more companies play name game

61 LESSONS OF LEADERSHIP: Envisioning the future
Gen. David Sarnoff tells how he built Radio Corp. of America into an electronics giant, and how to foresee what's ahead

84 How Red China spies on U. S.
FBI chief J. Edgar Hoover, in an exclusive article, warns of methods used by the communists to gather valuable facts

96 Sell more with fewer salesmen
Many popular ideas about how to motivate salesmen are off base; this article tells sure way to activate your sales force

102 Science is finding ways to make you smarter
Research into how the brain is able to learn and remember is producing new knowledge that will help you in the future

116 War is not necessarily hell
The ravages of the war on poverty have not extended to its generals' pocketbooks; instead they're enjoying the spoils

COVER PHOTO: *Max M. Autrey*

Nation's Business is published monthly at 1615 H St. N.W., Washington, D. C. 20006. Subscription rates: United States and possessions $19.75 for three years; other countries $10 a year. Printed in U.S.A. Second class postage paid at Washington, D. C., and at additional mailing offices. *© 1966 by Nation's Business—the Chamber of Commerce of the United States. All rights reserved.* Nation's Business is available by subscription only. **Postmaster:** please send form 3579 to 1615 H Street, N.W., Washington, D. C. 20006

Editorial Headquarters—1615 H Street N. W., Washington, D. C. 20006

Advertising Headquarters—711 Third Avenue, New York, N. Y. 10017

Circulation Headquarters—38 South Dearborn Street, Chicago, Ill. 60603

Editor
Jack Wooldridge

Managing Editor
Tait Trussell

Associate Editors
Paul Hencke
Theodore D. Drury
Jeffrey S. O'Neill
John R. Gibson
Walter Wingo
John Costello
Robert W. Irelan

Contributing Columnists
Felix Morley
Peter Lisagor
Alden H. Sypher

Art Director
Ralph Patterson

Associates
Harold Baskin
Norman W. Favin
Joseph W. Swanson

Adm. Assistant
Mary W. Davis

Business Manager
William W. Owens

Advertising Director
Herman C. Sturm

Circulation Manager
John C. Loest

Production Manager
W. Lee Hammer

If you're concerned about getting your paperwork out on time...

RELAX!

Addressograph® Equipment and Systems will handle it faster with complete accuracy and save you money too!

Here are just a few of the many Addressograph products available now to help your business run smoother and at lower cost.

If you have a paperwork handling problem, do as so many businessmen do. Call your Addressograph man. He's in the Yellow Pages. Or write Addressograph Multigraph Corporation, 1200 Babbitt Road, Cleveland, Ohio 44117. Either way, you'll get prompt service. And chances are you'll save money too.

Addressograph
DIVISION OF
ADDRESSOGRAPH MULTIGRAPH CORPORATION



ADDRESSOGRAPH 5000 — fully automated to perform all kinds of repetitive writing at speeds to 50,000 characters per minute on all types of forms, cards, envelopes, broadsides, folders, booklets, tags, strips, roll stock. Sharp, clean, permanent carbon ribbon impressions everytime. Automated master record selection, writing, sequencing and filing.



GRAPHOTYPE 6400 speeds and simplifies master record preparation. Embosses metal plates and plastic cards. All-purpose keyboard. Electrically controlled carriage return, line spacing, carriage release, plate rolling and other operations for uninterrupted output. Available with self-indexing attachments for easier filing and finding.



ADDRESSOGRAPH 4038 with MICR magnetic carbon ribbon for MICR encoding and personalization of payroll checks and account payable applications. **ADDRESSOGRAPH 4038** with Cold Release Ribbon for imprinting packaging materials in various colors. A completely dry process, it can be handled immediately after imprinting. Easy to operate.



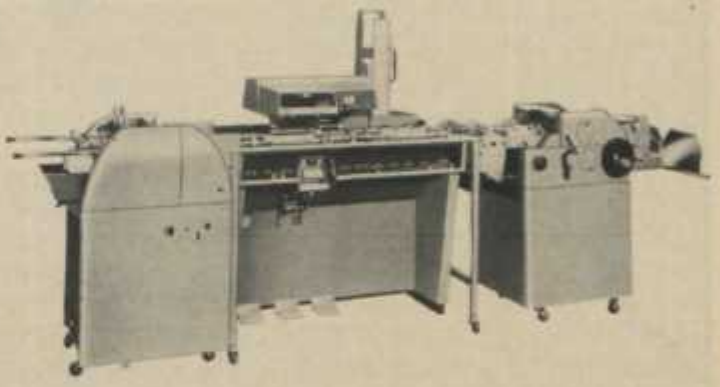
GRAPHOTYPE® 6800 — a high-speed, low-cost method of preparing unit data. Accepts paper tape or punched cards and automatically embosses and indexes Addressograph metal or plastic plates at speeds to 375 characters per minute. Can be operated by keyboard. Available with buffer storage.



ADDRESSOGRAPH 4000 — high-quality, data writing machine, with automated features to streamline paperwork handling and increase employee efficiency. Writing speeds up to 125 completed forms, with 10 lines of information per minute. Performs with 100% accuracy on all types of forms and printed material. Visual pressure control assures high-quality writing.



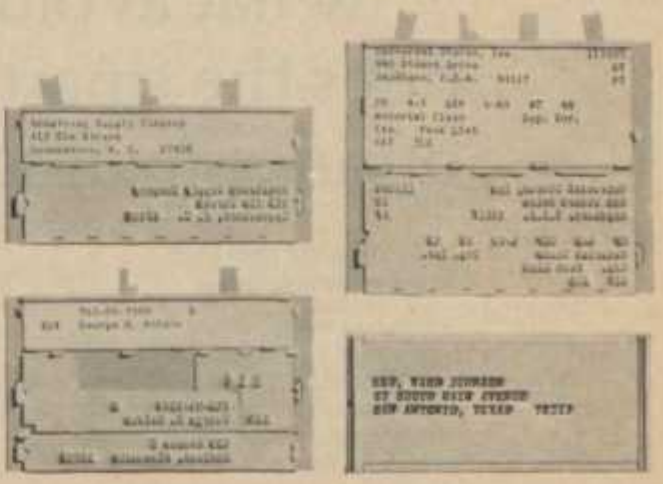
A-M PORTABLE MACHINES. (A) 350 Graphotype provides manual method of preparing Addressograph master record metal plates or plastic cards. (B) New Addressograph 5 and (C) 200 assure high quality, uniform impressions for fast, error-free, low-cost repetitive writing. Ideal mechanized writing for small business, branch, department or decentralized operations.



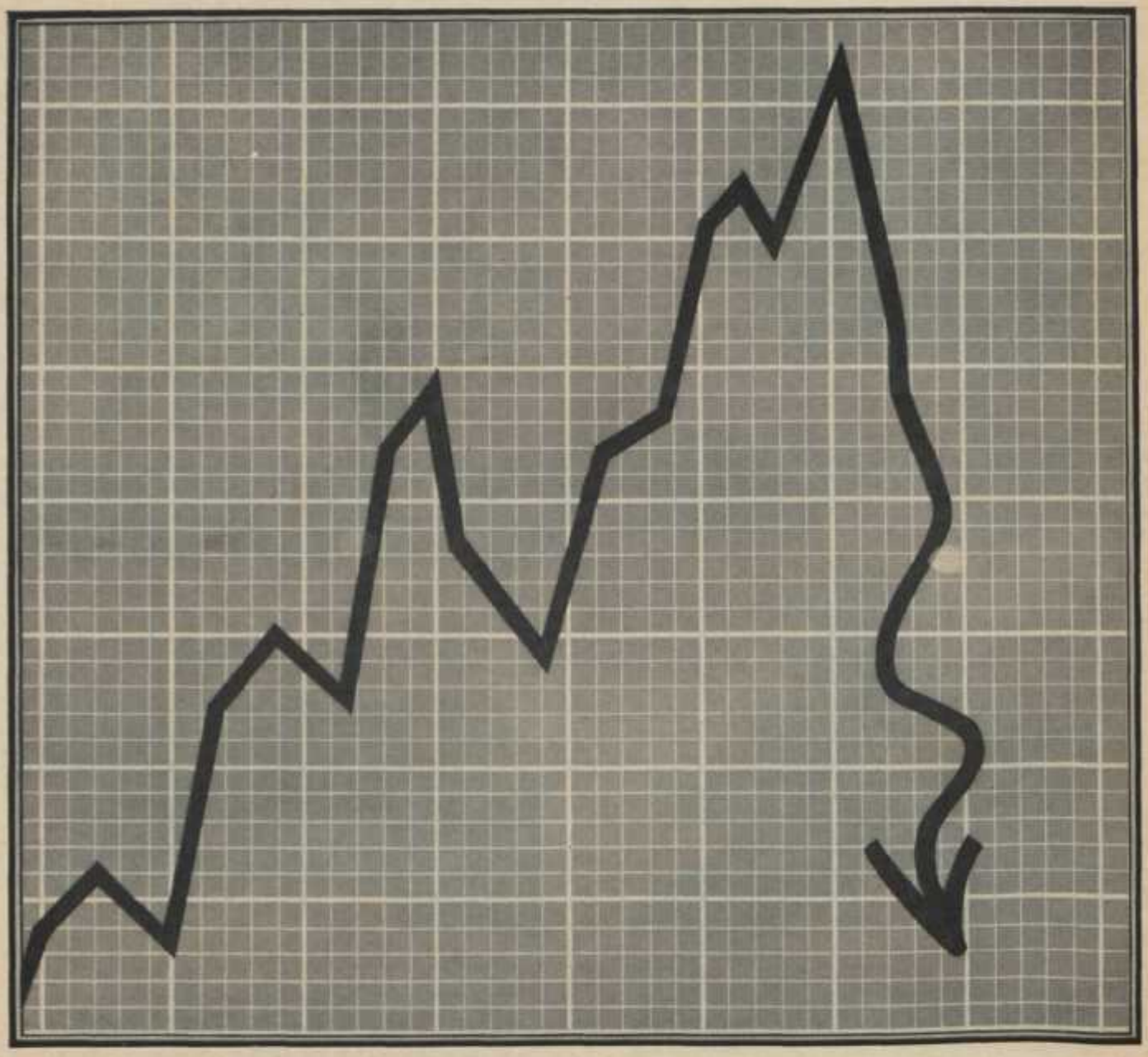
ADDRESSOGRAPH 5039 produces high quality personalized mailings in volume. Imprints individual name, address and salutation, prints letterhead, reproduces date, text and adds facsimile signature — all in one operation — all by one operator. Prepares complete letters ready for mailing at speeds to 4,000 units per hour.



ADDRESSOGRAPH TRANSFER PRINTERS tie into your data processing system for direct computer print-out to all kinds of business forms at high speeds with quality results. The A-M 831 accepts fan-fold continuous Transfer Masters and automatically registers multi-line postings to ledgers and unit forms. Every imprint is sharp, permanent, legible.



ADDRESSOGRAPH MASTER RECORDS are available in many styles... one just right for storing the business information vital to your organization. Addressograph methods and systems are used in businesses large and small for: order writing, billing and shipping, record writing, payroll processing, accounts receivable, routing, inventory control, production control, tool inventory, maintenance scheduling. No long training period or specialized supervision is required.



What avoidable mistake does the smartest businessman sometimes make?

Not having the right kind of business insurance!

A man may be the keenest competitor in his field, yet inadvertently do his company a disservice. How? By not realizing the need for the particular kind of business life insurance that gives his company true financial protection.

A partnership or close corporation, for example, may face financial jeopardy if a principal dies. The same thing could happen to any organization with a "key" man; his loss or disability could seriously affect profits. Or if you own your own business, have you *fully* protected its value for your heirs?

A good man to talk to is your New York Life Agent. He's trained to understand your company's requirements for sound financial security... help you make sure there's ready cash if economic emergencies strike. Get in touch with him soon. Remember, the one kind of business insurance you're missing might well be the most important of all!

Call our nearest office or write New York Life Insurance Company, Dept. NB 6-6, 51 Madison Avenue, New York, N.Y. 10010.

Life Insurance • Group Insurance • Annuities
Health Insurance • Pension Plans

NEW YORK LIFE

WASHINGTON: A LOOK AHEAD

War's squeeze on the economy will get tighter this fall—four or five months away.

That means no letup in inflation's pressures. Strains that could bring a tax increase at any time won't go away quickly. Fall months will be especially ticklish as defense production hits peak at time companies normally step up their production for the civilian market.

Talks with Pentagon officials, sharp-pencil production and manpower economists show this. It all assumes Viet Nam War continuing at present pitch. A significant step-up in the fighting would chew up more equipment, require more men, intensify demands on factories, funds and labor force.

A 100,000-man buildup beyond presently planned U. S. troop strength in Viet Nam, for instance, would add to the spending squeeze.

Consider this timetable as it affects you and your suppliers:

We should be hitting right now the peak in new orders caused by the war-buildup—tools, metal ad infinitum.

Firms receiving these peak orders, their subcontractors and suppliers will continue building up labor forces throughout the summer and into the fall. Hiring and training.

Production runs should reach top speed under present plans during the last quarter of '66. That means big employment, booming business around election time.

After that, production for defense should continue at that level for as long as it looks like the war will grind on at present intensity.

Pinch on manpower, capital, other resources should ease off gradually. Most tools and production equipment will have been purchased. Learning curve (experience) will make workers, management more efficient on long-run items; cut costs to Pentagon, reduce manpower needs.

As tough as defense buildup is on economy, even a step-up shouldn't raise drastic problems. Defense spending at planned levels of $57 billion for coming 1967 fiscal year will amount to only about 7.7 per cent of the gross national product (all goods and services we produce). This compares with 8.2 per cent as recently as fiscal 1964, Defense Secretary McNamara's aides point out.

Congress lays 1967 groundwork.

Hearings now, action later in some cases. Pension legislation, for instance. Well-publicized hearings on pension matters recently by Senate-House committees smack of electioneering to some. But lawmakers rate the topic touchy and complicated, seek genuine guidance. Powerful unions press for legislation; businessmen seek to prevent laws that would weaken pension system, remove control from employers and employees.

If there's pension action, it'll be next year. Ground rules for state taxation of interstate commerce will likely wait until 1967. House members attempt to rewrite the complicated measure to mollify state tax men who would lose revenue. Shadow of future IRS rule-making also plagues the plan.

LBJ's grandiose ideas for medicare-social security liberalization rate as likely debate topic next term. Congress will weigh them after seeing how medicare works. It starts July 1.

"There's no disposition to get into anything so complicated it can't be sent to the President this year," says one Capitol Hill insider. "After the session, the boys will be all tied up in elections and after that you've got a bunch of lame ducks. So you're not going to see any really important hearings then."

Foot-dragging may yet sideline scheme for federal control of packages and labels. Many liberals now cool to it. President's request for

new user charges for certain U. S. transportation services bogs down. So does plan for setting new federal rules on state unemployment compensation systems.

Steam builds up for more liberal tax treatment of employees' moving expenses. But action will come next year at earliest.

Watch for quick action by Congress on:

Another one-year extension of the increased federal debt ceiling. ("It lets the big spenders cast their economy vote," observes one Congressional cynic.)

Extension of the Renegotiation Act for defense contracts, which also expires July 1.

A tax increase if Johnson requests it. Tax policy makers talk about a flat percentage boost across the board in individual and company tax payments, if there's to be an increase. "That's so simple a six-year-old could work out the technicalities," says one tax expert.

June traditions, 1966, belie the impression of constantly rising vital statistic totals. You may want to crank these figures into your business planning. Federal forecasters calculate high school graduates this year will total only about the same as last year—2.7 million.

Ditto for college graduates at 525,000.

And June brides will probably number only slightly above last year's 226,000. Incidentally, June is still the main marriage month but August has jumped into second place. Saturday is THE day to get married.

Is Big Brother dead?

No, sir. You never can tell when the government's watching you and for what.

On a government-sponsored project a research firm recently filmed secretly five minutes of driving through Washington, D. C. traffic by 304 men. The researchers wanted to see how many laws were broken. In four years they're going to go through the drivers' accident records to see if those who committed the most violations in the study have the most accidents. No one will be identified publicly. Public Health Service, which sponsored the study, so promises.

The average driver, not so incidentally, broke the law more than nine times during the five minutes; 87 per cent were speeding.

Landmark legislative elections coming



States expected to elect legislatures under court-approved reapportionment formulas for first time.
Legislatures controlled by:
D—Democrats
R—Republicans
S—Split
NP—Non-Partisan

Great significance surrounds November's election of state legislatures. More than 30 states—over 130 million people—will probably elect legislatures for first time under new court-approved reapportionment formulas. Politicians are watching for new power patterns.

Washington analysts figure suburbs will be real winners—not the big cities. (Suburbs now top cities in people—68 to 61 million—Urban Land Institute estimates.) Who'll profit? Suburbs look less Democratic than cities but less G. O. P. than rural areas that previously dominated many legislatures.

Strategists of both parties figure Republicans will win back control of several legislatures lost in 1964 debacle.



You get twice the "grip" of ordinary pick-ups with a 4-wheel drive 'Jeep' Gladiator.

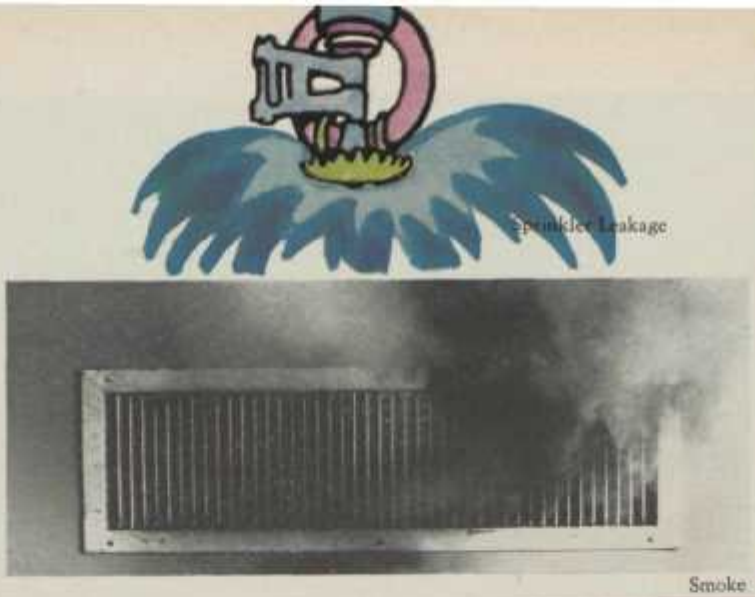
With the 4-wheel drive 'Jeep' Gladiator you've got twice the truck, because you've got twice the traction of 2-wheel drive pick-ups. Digs through mud, plows through snow, walks through sand, handles rough terrain like a breeze...really gets the job done. You can outfit your Gladiator as you want it: hot new engines—250 hp V-8 or Hi-Torque 6; standard or custom cab and trim; choice of colors; full width or bucket seats; 3 power take-off points; 7 or 8 foot box; flat bed or stake with dual wheels; GVW's 5000 to 8600 lbs.; 3 or 4 speed transmission with standard shift. Or Turbo Hydra-Matic*. (It's the only pick-up offering automatic transmission with 4-wheel drive.) Get the traction you need, with a 'Jeep' Gladiator. KAISER Jeep CORPORATION TOLEDO 1 OHIO

*TRADEMARK GENERAL MOTORS CORPORATION

You've got to drive it to believe it. See your 'Jeep' dealer. Check the Yellow Pages.



Robbery



Sprinkler Leakage

Smoke



Wind

Boiler Explosion

Auto Liability



The odds are against you. Sooner or later, your business

But now, you can cover them all with one Continental policy.

How many policies are you carrying to cover all these risks? Three? Seven? Twelve? More?

Even if you're up to your neck in policies, there's still a good chance that you've left something uninsured. Or that one policy overlaps another, so that you're paying twice for some of the same coverages.

And it's very likely that your piecemeal approach is costing you a pretty penny in extra premiums.

Until recently, there wasn't much you could do about it, even if you wanted to.

But then, the Continental Insurance Companies pioneered the Comprehensive Business Policy.

The CBP can cover all your property, liability and fidelity risks in one policy.

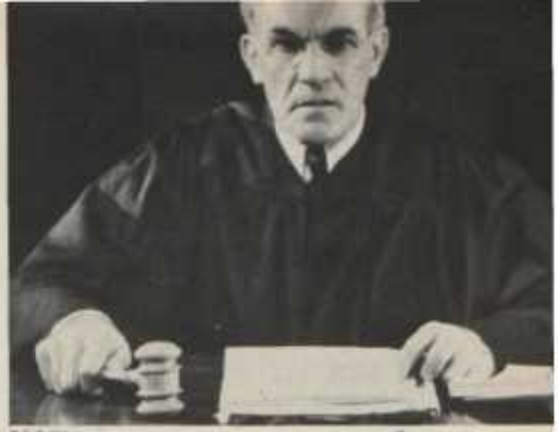
With only one expiration date to remember.



Goods in Transit



Damage by Vehicles



Liability



Business Income



Fire



Employee Fidelity



Riot



Vandalism



Burglary

will probably be the victim of one of these calamities.

And only <u>one</u> premium to pay.

What's more, the CBP eliminates wasteful duplication. Reduces the chance of uninsured losses.

And saves you up to 25%.

If you haven't had a complete insurance survey of your business within the past year (including a review of your present passel of policies), call your local Continental agent. (He's listed in the Yellow Pages.)

He'll help stack the odds in your favor.



The Continental Insurance Companies

The Continental Insurance Co. • Fireman's of Newark • National Ben Franklin • Niagara Fire • Commercial of Newark • Fidelity and Casualty • Seaboard Fire and Marine • National Ben Franklin Life • Fidelity Phenix • Home Offices: 80 Maiden Lane, N.Y., N.Y. 10038 • 10 Park Place, Newark, N.J. 07101



Why Chevrolet diesels are taking over in town

Chevrolet "city-size" diesels are hitting hard at the cost of intercity delivery work by reducing fuel and maintenance expenses on many runs normally assigned to gasoline powered trucks

Operating costs down. Chevrolet diesel powered trucks are busy delivering the goods for an increasing number of firms specializing in stop-and-go delivery work—and owners report they're virtually rewriting the record books by reducing operating costs. Savings of as much as 50% on fuel costs have been reported and the period between engine overhauls has been greatly extended in many cases. And for 1966, Chevrolet's expanded line of medium-duty diesels spells even brighter prospects as more truck operators will be able to take advantage of diesel economy for the first time.

Lower costs analyzed. Traditionally, diesel engines cost less to operate. They have a more rugged build which accounts, in part, for longer engine life. They have a simplified ignition system — no spark plugs or points to replace. And they burn a grade of fuel which is usually less expensive than gasoline.

A practical investment. Despite these obvious advantages, many truck owners have been reluctant to dieselize because of higher initial cost. Now, the trend is reversing. Moderate service operators have begun to take a closer look at diesel operating economies and they like what they see. They are finding that Chevrolet's broad new line of diesel powered trucks are built and priced to pay for themselves even in medium service. They are, in short, a highly practical investment. For more complete information on the operating economies of Chevrolet's two- and four-cycle diesels for medium-duty applications, see your Chevrolet dealer. . . . Chevrolet Division of General Motors, Detroit, Michigan.

CHEVROLET

Rx for auto safety: Pro and con

To the Editor:

I read with interest Alden Sypher's article, "Rx for Safety: Fix Nut Behind the Wheel" [April]. It is unfortunate that you overlooked completely one major factor which probably ranks second to drinking as a cause of auto accidents: Namely, the motorist's vision.

This problem is one which has a very simple solution: Vision testing for at least minimum standards at the time the original driver's license test is taken. Then either a recheck or a certificate from a qualified eye doctor (ophthalmologist or optometrist), within three months prior to the renewal date of the driver's license, stating that he has at least the vision required by law.

ERWIN JAY, O.D.
Cleveland, Ohio

To the Editor:

After hearing so much about safety features in cars lately, that article was right. Something should be done about those nuts behind the wheel.

Very little has been said about the drunken driver and how to get rid of him.

There is one way of taking care of drunk drivers. Have the law enforcement officers watch the drinking establishments and when a drunk gets in his car, stop him before he gets into a wreck—instead of after he gets into a wreck, which is too late.

ARTHUR LASANEN
Lake Linden, Mich

To the Editor:

I am particularly concerned by Mr. Sypher's very casual dismissal of the responsibility of the auto manufacturer for design safety in automobiles. Of three 1965 automobiles I have purchased for business and pleasure, all were delivered with absolutely unsafe brakes.

The two dealers involved were required to institute major modifications to provide even barely adequate brake response.

With these three automobiles, I also experienced seven tire failures —all in under 5,000 miles of driving.

I feel strongly that the automobile manufacturer and the tire manufacturer must begin to share the blame for mounting accidents.

RODNEY B. LUNDY
Naperville, Ill.

To the Editor:

I agree. Fix the nut behind the wheel [April] and we will eliminate a lot of auto accidents.

I have bought a good many new cars in the 52 years since I began driving. Each year they have been built safer.

One other nut should be eliminated—the careless workman on the assembly line. Labor unions should encourage workmen to take pride in excellent workmanship.

HOWARD L. MYERS
Alliance, Ohio

Killing ambulance service

To the Editor:

Re your article: "Will Congress Kill Main Street?" [May]

I sympathize with the plight of Lintz stores in Oklahoma and Texas under the proposed extended coverage of the minimum wage law.

Federal intervention into the ambulance industry will create a new caption: "Congress murders voters."

The recent ruling that commercial ambulance operation is subject to the Fair Labor Standards Act is having a far-reaching impact. Commercial operators all over the country are reducing their manpower and fleets to comply.

If invoked, next February, with an increase to $1.40 an hour, there will be even further reductions. When the $1.60 per hour ruling goes into effect, there will be still further reductions.

At some point, ambulance service will cease to exist.

It isn't so much the hourly rate—it's the time and a half over 40 hours that causes the strangulation. The ambulance industry works by 24-hour periods of availability rather than by eight-hour shifts. The men literally live with their emergency equipment, just as firemen do.

With no decrease in demand for our services, our fleet has shrunk from eight to six ambulances with-

Industries don't go thirsty

where 3 billion gallons of water flow daily...The Changing Middle South

(Arkansas, Louisiana, Mississippi)

NEW SURVEY REPORTED IN MAGAZINE
"The Changing Middle South"

Scientists, industrialists, government experts, all point with alarm to the nation's water table. Area after area reports diminishing water supply with tremendously increased demands by industry and agriculture.

Today water, the priceless asset for so many manufacturing processes, is abundantly available in the Changing Middle South.

Gulf, lakes, eight major rivers, in addition to wells and springs provide 2½ times the daily water needs of the nation. There is water for widely varied processing, for cooling, for sports and recreation in all areas and for economic transportation to the populous markets of the nation and the world.

In addition, valuable raw resources and productive people help make this three-state area the industrial location for now and the centuries ahead.

Governmental leaders and the citizenry in the Middle South believe in industry's right to profit.

Here, too, are the research facilities that will point to the most efficient ways to use the water supply that is here.

"The Changing
MIDDLE SOUTH"

This award-winning quarterly magazine reports on people and profits, recreation and cultural opportunities in the Middle South.

Send for your FREE copy:

MIDDLE SOUTH SERVICES, INC.
225 Baronne Street, NB-1
New Orleans, La. 70160

Name_____

Company_____

Address_____

City_____ State_____ Zip No.____

THE MIDDLE SOUTH UTILITIES SYSTEM

ARKANSAS POWER & LIGHT COMPANY, LITTLE ROCK, ARK.
LOUISIANA POWER & LIGHT COMPANY, NEW ORLEANS, LA.
MISSISSIPPI POWER & LIGHT COMPANY, JACKSON, MISS.
NEW ORLEANS PUBLIC SERVICE INC., NEW ORLEANS, LA.

Why Stanley Nagrod uses a postage meter for only $20 worth of postage a month.

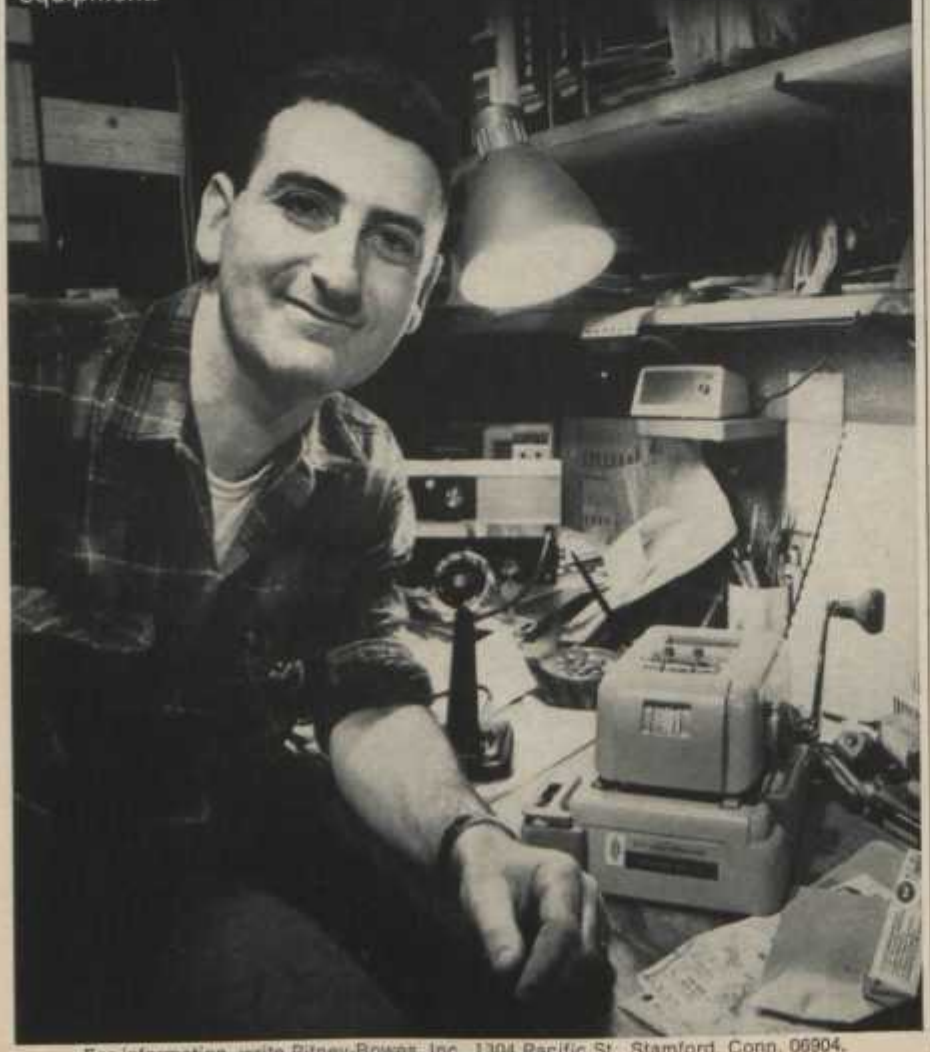
From his shop and a secluded room in the basement of his home, Stanley Nagrod sells and maintains his commercial two-way FM radio systems business, Albertson Communications Inc. Down here, amongst his stock parts, tools, test equipment, catalogs and antennas, you'll find a Pitney-Bowes DM3 postage meter.

Stanley's customers are mainly taxi fleet owners, fire and police departments, and a number of businesses that need two-way communication. His mail is varied, and consists of monthly statements mailed to his regular accounts, in addition to parts needed for replacement in customers' equipment.

As he puts it: "I mail out a lot of odd-ball packages and fat letters, even though I only spend about $20 a month in postage. I used to run around like crazy for stamps. Now my postage meter saves me a lot of time and bother. When I have to ship a small part, I have all the postage I need, just waiting for me in the machine."

We like to hear about a guy like Stanley. Especially when we find out that now he has one of our Pitney-Bowes scales. That makes us extra proud.

Pitney-Bowes
Postage Meters, Addresser-Printers, Folders, Inserters, Counters & Imprinters, Scales, Mailopeners.



For information, write Pitney-Bowes, Inc., 1304 Pacific St., Stamford, Conn. 06904.

Business opinion:

in this last year. Next February, if the proposed law passes, the fleet dwindles to four. The following year with another minimum wage increase, U.S. savings bonds would be a better investment than my business.

The day when the doctor went to the patient has passed. The patient now must come to the doctor. May I ask how he is going to get there?

DONALD K. ROBBINS
President
Rocket Ambulance
Portland, Ore.

"Pa and Ma and LBJ"

To the Editor:

Your satire, "Pa and Ma and LBJ" [April], is still giving chuckles to people in our firm.

JOHN T. MENTGES
President
Green Bay Soft Water, Inc.
Green Bay, Wisc.

Gen. Greene on Viet Nam

To the Editor:

I read with keen interest "Why We Will Win in Viet Nam," by Gen. Wallace M. Greene, Jr., commandant of the Marine Corps [April].

I hope those who read his article will realize the job we have right here at home to keep up that morale for which the American people are noted.

May many more such articles appear in all publications in the trying times ahead.

It will take this kind of publicity to halt the wave of demonstrations against the policies of those who are endeavoring to secure freedom for all peoples.

DAVID I. HARTJES
Kaukauna, Wisc.

To the Editor:

We are going to win in Viet Nam! Win what?

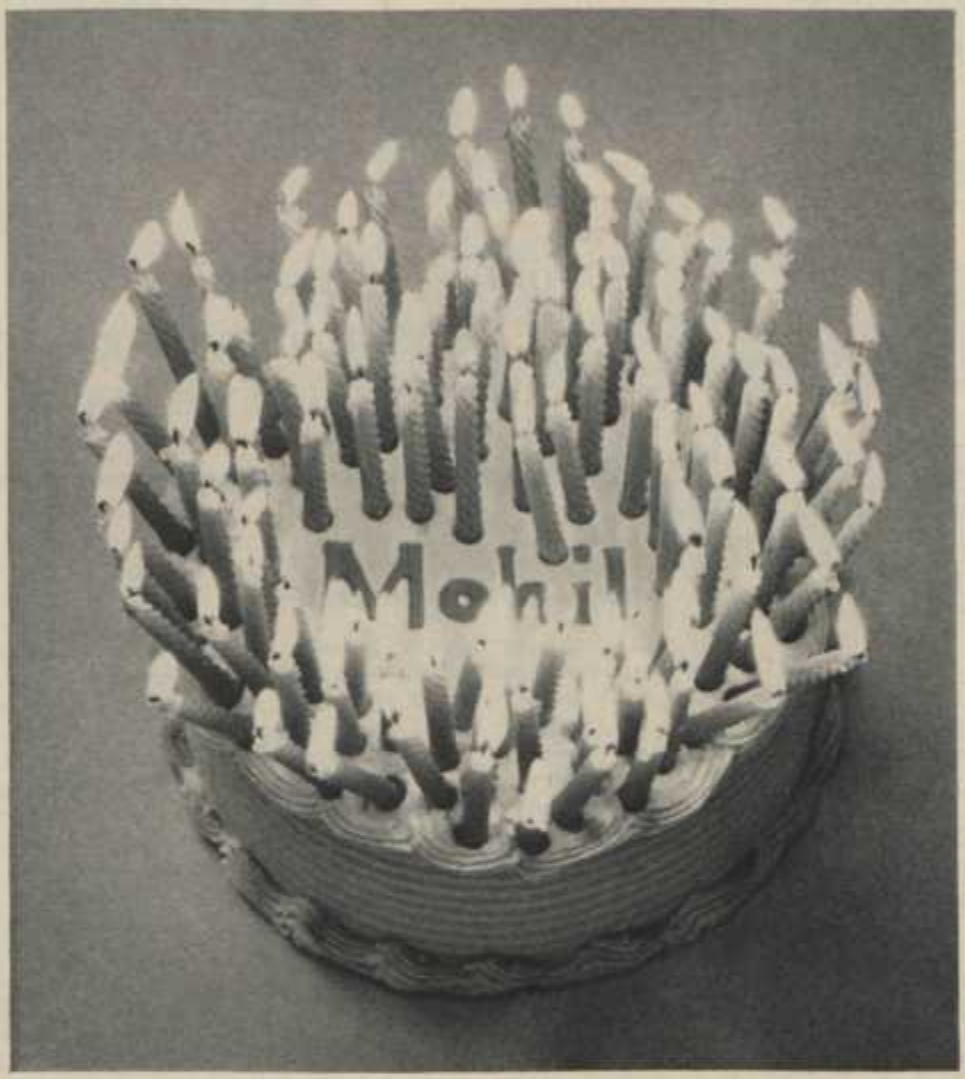
General Greene refuses to talk about the facts and difficulties—the graft, desertions and growing demonstrations against us. What if the Vietnamese make it crystal-clear they do not want us there at all?

Now that we have seen the vast demonstrations, and members of the Buddhist hierarchy asserting they can handle the communists without our help, the General's article is knocked into a cocked hat.

And, once again, it is most timely for us to find out just who invited us there in the first place.

J. L. HARTZ
Pastor
The Clinton Methodist Church
Clinton, Mo.

Why did we shorten our name on our 100th anniversary?



For one thing, there wasn't enough room on the cake.

For another thing, people haven't called us "Socony Mobil" for years. "Mobil" alone did the job just fine.

So it seemed logical enough to make the change on our 100th anniversary.

You like "Mobil." We like "Mobil."

And, after all, who else is there?

~~Socony~~ Mobil Oil Corporation

©



Anywhere in Industrial Tennessee

MATCH MAN-POWER TO NEW JOBS

Tennessee's Vocational and Technical Training Program is state-wide! No community can be more than 30 miles from an area school . . . assuring trained workers wherever you locate a new plant. Write for descriptive, 32-page, full-color booklet on company letterhead or mail coupon.

ABUNDANT TENNESSEE

Division for Industrial Development



Office of the Governor
9-5 Cordell Hull Bldg., Nashville, Tenn.
Please send Vocational-Technical Training Booklet.

Name _____
Firm _____
Address _____
City _____ State _____

LARGE CORPORATIONS MAKE EVERY OPERATION (even spending money) SHOW A PROFIT!



That's why so many of them lease trucks under this sign of full-service!

"Blue Chip" firms have discovered that in leasing only the truck (finance contract), **just 20% of truck costs are covered!** NATIONALEASE FULL-SERVICE TRUCKLEASING covers **100%**—EVERYthing but the driver!

Whether you're a large corporation or small, need one truck or a fleet, RENT or LEASE, the best SERVICENTER facilities, locally owned and controlled, are yours when you contract for **preferred** NATIONALEASE full-service truckleasing.

FREE! Write on your letterhead, for Visorfold Map, spotting over 250 NATIONALEASE SERVICENTERS—plus authoritative LEXICON of Truckleasing terminology.



RENT or LEASE a new CHEVROLET or other fine truck

Local control—National expertise

See Yellow Pages or write.

NATIONAL TRUCK LEASING SYSTEM

Serving principal cities of the United States and Canada
23 E. Jackson Blvd., Suite E-6, Chicago 4

Executive Trends

- Doubling your leadership
- Why sales managers get the ax
- Job overconfidence boom

"Co-captain management" —Double-barreled leadership

Looking for a way to enhance your own capabilities and your company's over-all people power?

The answer could be to adopt the "co-captain" approach to managing used with success by the Anchor organization, a complex of three mutual funds and two insurance companies.

In each department, Anchor boasts two top executives who work as co-captains. Each is trained to pinch-hit for the other if and when the need arises.

The co-captains at the apex of this unusual double-pyramid are John R. Haire, chairman, and Edward B. Burr, president of the Anchor Corp., sponsor of the $1.7 billion Anchor Group of mutual funds.

Says Mr. Haire: "We have found that by vesting in two key executives roughly equal authority at each major level of activity, we have greatly increased decision-making power and the ability to cope with the complexities of modern business. We've also improved efficiency by, in effect, enabling the 'top man' to be in two places at the same time."

Why do sales managers last only 4.6 years?

"Because they're lousy figure men," snaps Henry K. (Hank) Astwood, voluble, volatile director of the Sales Manpower Foundation, New York.

The 4.6 is a statistical figure, of course. It represents what SMF has found to be the average job-life span for sales bosses. The point at which, as Hank Astwood graphically expresses it, "a manager stops being profitable and you start seeing his head in the street."

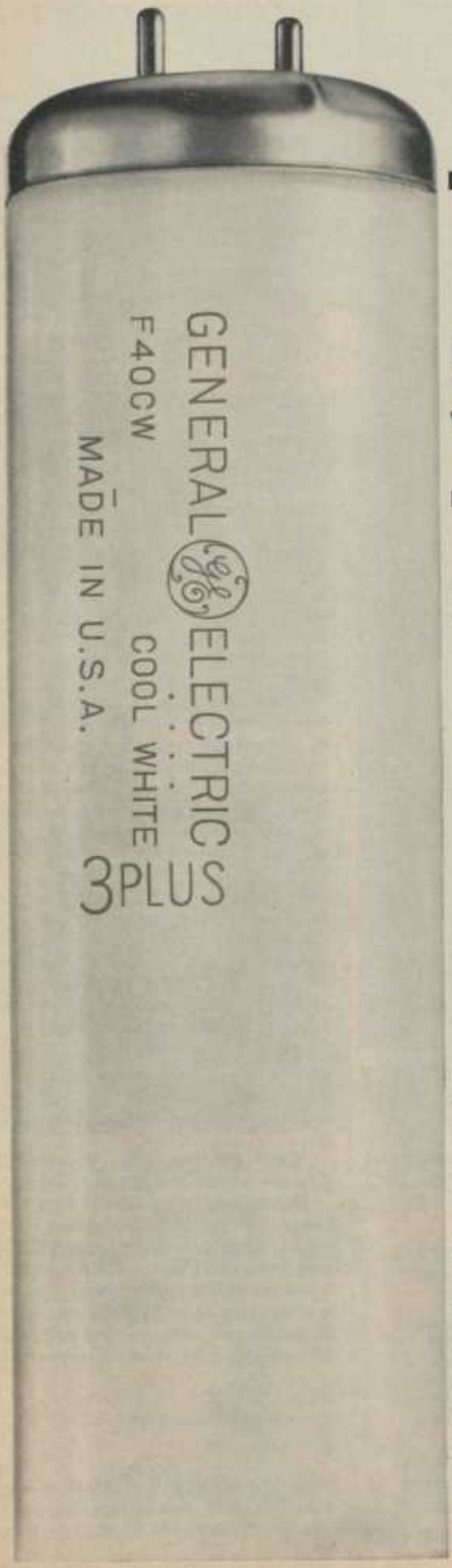
There is a kind of inexorable rhythm to the typical sales manager's career, according to SMF's director: He starts on the job. He comes on strong—and then he begins to get into trouble as his selling costs creep up, leap up and finally go right through the roof.

"There are notable exceptions, true," say Mr. Astwood, "but many sales managers take a perverse pride in the fact that they are poor in handling cost data and figures generally."

To help sales executives keep their costs at least in line with others in their industries, the foundation has been making intensive studies of costs to make sales in various industries. Detailed information has been gathered from hundreds of firms—and examined in terms of how much of the selling dollar goes toward salesmen's pay, advertising, expense accounts, servicing customers, making sales calls, training new men.

Industries already scrutinized include chemicals, drugs, beverages, building materials, electrical equipment and appliances. Coming up: Paper products, office equipment, containers, metal products, machinery, clothing, plastics, textiles. Individual reports cover 24-30 pages of legal size paper and may be purchased from the foundation.

"Our aim in doing all of this," as-



The $25,065,000 fluorescent

(Yours for only $1.05)

This is the new General Electric "3 PLUS" 40-watt fluorescent. List price: $1.05. It costs no more than any other 40-watt fluorescent, but it's better. It produces more light . . . the first to deliver 3200 lumens. It starts easier, burns longer on older circuits and has less end blackening. It's so much better that the extra light produced over its life is worth a bonus of 22½ cents per lamp. That's an annual light bonus of $25,065,000 to the buying public . . . if everyone were to buy G-E "3 PLUS" fluorescent lamps. Of course, not everybody will. But you can get your share of that $25,065,000 bonus right now. Ask for "3 PLUS" 40-watt fluorescents by General Electric. Call your G-E lamp agent. Or write General Electric Company, Large Lamp Dept., C-612, Nela Park, Cleveland, Ohio 44112.

GENERAL ELECTRIC

serts cost-hunter Astwood, "is simply to try to keep more sales managers in their jobs."

Job boom holds danger: Overconfident jobholders

"Scare buying of people" is the way personnel men, recruiters describe industry's current, continuing scramble for skilled manpower.

The twin pressures of a booming economy and expanding military requirements explain the rush to hire engineers, salesmen, financial executives, construction men—to name a few.

A professional recruiter reports that frenzied hiring is most noticeable in technical specialties. He tells NATION'S BUSINESS: "Many firms are overstocking with people. A good engineer or technician can almost climb on a scale, announce his weight, add a couple of zeros to that and say, 'This is the salary I want.'"

But while there is land-rush hiring, there are also warning notes. A negotiated peace in Viet Nam, for example, would be felt almost immediately in hiring, although few businessmen foresee any possibility of mass layoffs or a precipitous decline in demand.

Nevertheless, job counselors advise, executives enjoying the luxury of today's unprecedented demand for talent should avoid overconfidence and not let up in learning while on the job. Says one counselor: "There's only one sure prescription for security today—study."

Now Uncle Sam is in "temporary help" business

The government's empire-expanders aren't missing a trick.

Example: United States Employment Service (USES) offices now offer "temporary help" service for employees. Private, taxpaying agencies in the employment field do a slow burn as a result; they feel it is unfair and unwarranted competition with an activity they pioneered.

Your most important sale—you

Of the estimated 200,000 executives who will change jobs this year, many will settle for much less mon-



HOW TO GET TO HONG KONG VIA 150 WILLIAM STREET

Doing business in Hong Kong? Go to Royal-Globe's main office in New York through any of our over 15,000 independent agents in the U.S.A. Inscrutable Oriental ways are an open book to Royal-Globe. We offer the knowledge and know-how of more than a century of insuring American firms in Asia.

Insure through Royal-Globe here—get "on-location" service there. Royal-Globe is your best insurance bet in any country west of the Iron Curtain, or east of the Bamboo, because Royal-Globe has more international representation than any other insurance company. Call upon your nearest Royal-Globe agent for all commercial or personal insurance needs. He's listed in the Yellow Pages.

Our home office in the U.S.



If it's in the Free World, Royal-Globe is there!

ROYAL-GLOBE INSURANCE COMPANIES • 150 WILLIAM STREET, NEW YORK, N. Y. 10038



He covers the outside...



the inside...



the work that you do...

Your equipment...



your shipment...



your people...



and you!

Your USF&G agent can insure them all



With the full range of USF&G coverage behind him, your agent can protect your business wisely, without waste. Actually, because he's independent, your USF&G agent can help you plan coverage for all your needs. He's in the Yellow Pages.

Consult your USF&G agent as you would your doctor or lawyer.

THE USF&G COMPANIES, BALTIMORE 3, MD. United States Fidelity & Guaranty Co., Fidelity & Guaranty Life Insurance Co., Fidelity & Guaranty Insurance Underwriters, Inc., Baltimore 3, Md. • Fidelity Insurance Co. of Canada, Toronto
CASUALTY • FIRE • MARINE • MULTI-LINE • LIFE • GROUP INSURANCE □ FIDELITY • SURETY BONDS

CUTS MONTHLY PHONE COSTS



EXECUTONE INTERCOM

Executone intercom breaks switchboard bottlenecks . . . takes inside calls off your phones . . . reduces costly call-backs . . . frees phones for calls to and from the outside—where the customers are! Provable savings on your monthly phone bill will pay for your Executone system . . . giving you the benefits of *two* channels of communication for less than the cost of one!

Executone—the *dependable* intercom—speaks clearly with a *natural* voice. Incoming calls are announced by soft chime and signal light. Reaches any number of stations from two up. Available with paging and confidential handset.

Find out how Executone can help reduce your telephone bill; send the coupon today. No obligation.

Executone Dept. S-1, Austell Place, Long Island City, N. Y. 11101

☐ Prove to me Executone can cut my monthly phone costs. Call for an appointment.

☐ I would like to receive your 16 pg. booklet "The Many Uses of Intercom."

Name_____

Company_____

Address_____

City_____ State_____ Phone_____

ey than they could have gotten.

Professional recruiters point out that job-hunters frequently fail to lead from strength when negotiating a new position. Result—a lower salary than what might have been landed.

"It's a funny thing," muses one recruiter, "but even some top, high-salaried men grow defensive and even shy when talking with a prospective employer. They forget the employer has a problem, too. They're most likely already employed at a good salary in a good job. But the employing party has the problem of finding someone who can do an important job not now being done." Job counselor John W. Costello, president of National Executive Search, Inc., proffers this advice: "If you plan to job hunt, first make sure of what you have to sell in the way of skills; itemize the skills and then decide to whom you want to sell them, where and at what price.

"Before your job interview, find out as much as you can about the person who will be interviewing you and about the company he represents. The more knowledgeable you are, the better your chances.

"Finally, assume you are going to be asked some questions which will fall outside your particular field. When they come, admit honestly that you don't know the answers."

Trends in brief . . .

Youngstown Sheet and Tube Co. President Robert E. Williams urges business educators to put more of the old entrepreneurial fire into young men training for management careers. . . . Another president, M. G. O'Neil of The General Tire & Rubber Co., argues that scientific measurement of people has been overdone; he calls for more reliance on "intuition and personal chemistry" in building your team . . . A major event of business year: Next CIOS triennial international management congress will start Sept. 19 in Rotterdam, Netherlands. . . . Executive unemployment is so low, according to Thorndike Deland Associates, executive recruiters, that it is best described as "110 per cent employment." . . . Interest in "tutorial" training of executives, clerical workers, blue-collar people grows.

Why do so many business executives do business with Merrill Lynch?



Maybe it's because they like the way we level with them.

A pretty hard-headed lot—these executives. Their business success usually depends on knowing more about their business than anybody else. Hard facts. And when they buy into somebody else's business, when they buy stock in such a business, they want to know all they can about it. Hard facts.

These are the kind of facts we specialize in.

We have a Research Division that's one of the biggest and best in the business. A Research Division that includes a staff of twenty industry specialists and 37 assistants who do nothing but follow the fortunes of all the leading companies in every major industry.

What they think of those fortunes at any given time is something we keep our 2600 Account Executives thoroughly informed about through dozens and dozens of wire flashes every day on key developments—news flashes that supplement the printed reports which our Research Division issues regularly on hundreds of major companies. And if the man in the field has any doubt about what Research thinks of any one of 3600 companies, he can get the latest opinion in just a few minutes, thanks to an electronic device that hitches a computer's memory drum right into our wire system.

Other reasons for choosing Merrill Lynch?

Well, take convenience. Business executives frequently travel, and when they do, they can feel "at home" in any of 162 Merrill Lynch offices around the globe.

Then there's the fact that our own business has always been an "open book"—ever since we pioneered the first publication by any broker of an Annual Report on his own operations over 25 years ago. We haven't missed a year since, and our customers seem to like the idea of a broker who does business in a goldfish bowl.

Finally, there is that sense of security that any investor might feel when he knows he is doing business with a firm that has a net worth of over $130,000,000.

Interested in finding out more about us? By all means, come in, and visit at any Merrill Lynch office. Just ask to see the Manager. And if you can't spare the time right now, perhaps you'd like to read *"This is Merrill Lynch,"* which tells the whole story of our services, facilities, and policies.

We would like to send you a copy, if you will just fill out the coupon below.

Yes, I would like to know why Merrill Lynch is so "special"—at least in your eyes. You may send me a copy of "This is Merrill Lynch." NB-10

Name_____

Address_____

City_____ State_____

MERRILL LYNCH, PIERCE, FENNER & SMITH INC

MEMBERS OF THE NEW YORK STOCK EXCHANGE AND OTHER PRINCIPAL STOCK AND COMMODITY EXCHANGES

70 PINE STREET, NEW YORK, N. Y. 10005



Fifty and Growing Fast!

Call us "Triangle" for short (all our friends do).

You may seldom notice our products at work . . . silent, motionless, and usually invisible. Yet they are wherever people are. Modern civilization depends on them. They bear the surge of electrical power and the flow of water.

Fifty years ago we were little more than a man's ambition and a few hundred dollars in capital.

Today our plants, warehouses and sales offices fill the map like freckles on a 12 year old. America buys a hundred million dollars worth of "Triangle" electrical wire, cable, steel and plastic conduit, copper tube and fittings, plastic pipe, special alloys — some 96 product lines in all.

We're still growing . . . faster than ever.

Will you join us in our HAPPY BIRTHDAY?

TRIANGLE CONDUIT & CABLE CO. INC.
NEW BRUNSWICK, NEW JERSEY

1916
1966

When friends fall out

BY PETER LISAGOR

The struggle of the architects, engineers and hod carriers of the Great Society to maintain the illusion of consensus is constant and demanding. None works at it more energetically than President Johnson himself. He would like unanimous consent for all of his programs and policies, and even when it's clear that he lacks it, he prefers to believe that the defection is temporary.

Within his own Administration, he can manage total fealty and approval. Any hint of feudin' and fussin' on the inside is usually smothered by the heavy hand of reticence. For a man who has trouble enough abiding contention and controversy on the fringes of the Great Society, he simply will not endure any bickering or backsliding among his own flock. He remembers with lingering distaste the intramural strife of some past Administrations, most vividly the Cabinet vendettas of the Roosevelt era.

But the word, consensus, embraces attitudes and viewpoints outside the executive branch, and there the President is having his troubles. On occasions, consensus seems to be unraveling, like a cheap suit. In recent weeks, for example, old friends have fallen out and erstwhile friends have become suspect. Something in the air has scrambled old and recognizable alliances in the manner of magnetic particles fouling up the navigational devices of an airplane. It's gotten so that you can't sort out friends and foes with any real certainty.

• • •

The divisive effects of the unfortunate enterprise in South Viet Nam are partly, but not altogether, responsible for the assault upon consensus. Vice President Hubert H. Humphrey has discovered that his liberal colleagues of the Americans for Democratic Action think he has become more royal than the king in his advocacy of a tough unrelenting line in the Vietnamese conflict. Humphrey's aggressive cheerfulness makes it hard to dislike him actively, but his ADA allies were sufficiently disgruntled at a recent convention to vote a resolution condemning Administration policy in Viet Nam. The fact is that Humphrey, a founder of ADA, had neither betrayed the liberal cause nor changed his own views. As far back as 1950, he had been expounding the importance of helping Asian countries stave off the advance of communism, and never had he wavered from that position. Nevertheless, ADA fell out of the consensus with a thud.

• • •

The President has learned that some hitherto compliant and dutiful Senators have fallen off the sled on Viet Nam. Upon inquiry, however, one finds out that other motives have intruded in the defections of Arkansas' J. W. Fulbright and Indiana's Vance Hartke, to name but two.

Fulbright has brooded long and confusedly about what he calls the "arrogance of power," which has infected the U. S., perhaps fatally, in his judgment. Some uncharitable observers believe that the former Rhodes scholar was prompted by an arrogance he perceived in the President, who hasn't exactly asked him frequently to the White House for either tea or sympathy, and most certainly not for advice, when Fulbright made it clear that he frowned upon certain actions taken by the Administration in the Dominican Republic as well as in Viet Nam.

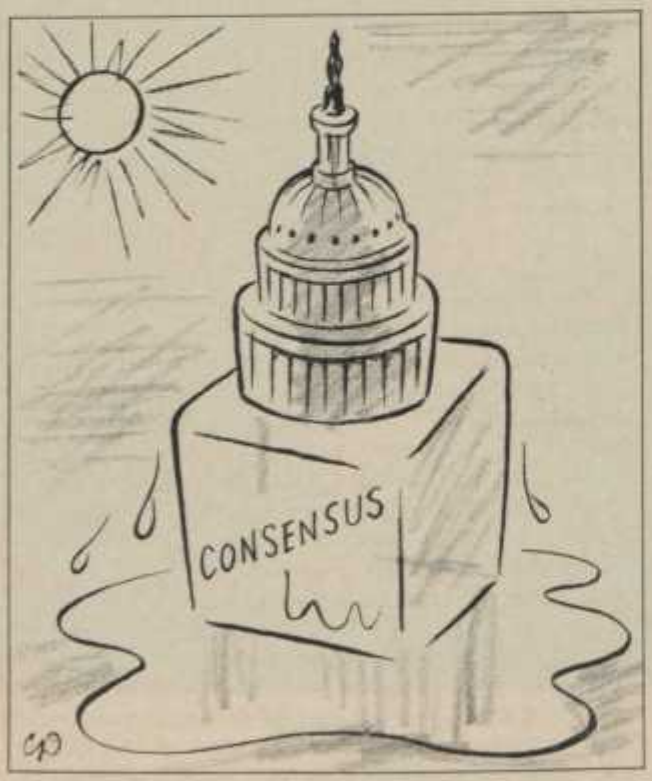
As for Hartke, the story is that he heard via the grapevine that LBJ had spoken somewhat patronizingly of him as "that small-town mayor," and thereby fertilized the seeds of dissent already sprouting in the proud bosom of the former mayor of Evansville, Ind. Viet Nam provided Hartke with a stirring pretext for asserting his independence of the man in the White House who befriended the Hoosier politically and perhaps felt that was enough to assure his permanent loyalty to the consensus.

The politics of consensus makes strange former bedfellows, to give a new twist to an old saw. For example, it was thought during the Kennedy years that no knife was sharp enough to sever the bonds

Mr. Lisagor is the White House correspondent for the Chicago Daily News.

of the so-called Irish Mafia, but when LBJ came to power, Lawrence F. O'Brien chose to stay on as the Congressional liaison chief at the White House, while his sidekick and companion in political arms, Kenneth O'Donnell, who had been the President's appointments secretary, departed. Now O'Brien is a member of the Johnson Cabinet as Postmaster General and O'Donnell is trying to carve out a political career in Massachusetts; one marches in the ranks of consensus and the other can barely suffer the concept, and no notes are compared between them.

Or to take another case of curious departures from the fold, two former Presidential assistants, Arthur Schlesinger, Jr., and Richard Goodwin, retired to private life and suddenly found flaws in the consensus on Viet Nam. They graciously exempted the President from error, a technique for keeping the White House lines open in the event they should find another call to the colors useful in the future, but they were not so gentle with his anonymous advisers or with the course of policy, as though some errant, unseen, unidentifiable hand was guiding the republic to disaster.



The President has been forced to witness other odd spectacles—the poor meeting here in solemn conclave and jeering a pep talk given by his commanding general in the war against poverty, none other than R. Sargent Shriver; the spokesmen of the "new economics" who considered the President an apt and practical student of their flourishing doctrine, ganging up on him for his reluctance to ask for a tax increase as an anti-inflation measure; labor leaders wondering out loud if their good friend in the White House isn't leaning too hard on them and too easily upon business and industry leaders in pressing the wage-price guideposts; civil rights leaders grumbling about federal sloth in tackling the seething problems of the big-city slums; Congressional voices charging that epitome of efficiency and sound management, Defense Secretary Robert S. McNamara, with allowing shortages to develop in Viet Nam and with other delinquencies in the military supply situation.

• • •

Mr. Johnson has an instinct for moving against these developing heresies, these cracks in the monolith of support for which he strives so mightily. He calls in business leaders and appeals to them, in his exuberantly evangelistic style, to exercise restraint in their spending. He invites old labor friends to come by and placates them with reminders of the Great Society goodies he has promoted for their ranks. And when he wants to make a broad swipe at the public at large, to calm and reassure and minimize the shortcomings and maximize the achievements in a given period of time, he calls in the press.

In a typical session, he stresses informality and exudes confidence and a great inner serenity, even when he must force it, by sitting in his rocking chair and facing reporters like a genial father confessor and Dutch uncle in tandem. He never seems more paternalistic, self-assured, in total command and wholly becalmed by events than at these times. There is about him a confiding air which tends to flatter those in his presence. Even the portrait of George Washington over the mantlepiece adds a note of stability and continuity to the scene, and somehow makes a critical question seem harsh and irreverent.

No matter how detached about a President the reporter forces himself to be, the size and power of the job commands respect and awe and an unavoidable deference. If he makes a small mirthless joke, you're inclined to smile; if he lapses into sentimentality, you tend to listen tolerantly; if he glosses over a glaring defect, it seems most reasonable and the temptation is to forgive all mistakes and pardon all culprits. When he speaks of his unimaginable burdens and cops a plea by quietly observing that mistakes are inevitable, you're almost ready to proclaim consensus not only as a good thing but as the only brotherhood in the land for a true patriot.

The President's tactic is never to challenge or joust with an adversary—but to disarm him by finding some common ground on which to stand with him. When Gen. James Gavin and former diplomat George Kennan criticized the policy in Viet Nam and advocated actions not vastly different from the Administration course, the President seized upon the vague similarities and exploited them. This is the game: If you can't always agree with the critic, find some way not to disagree.

Thus does confrontation yield to consensus, but it's no easy conquest. It requires unremitting attention, like a bad patch of crabgrass, and the one sin is to admit it isn't real.

A Ryder truck lease won't solve all the "tight money" problems

but it will help.

Your financial man will tell you: a Ryder Full Service Truck Lease makes great sense in this era of tighter money conditions. You may improve your working capital position by getting your capital out of your trucks and into those business areas where it can be turned over profitably.

After you get financial information from an expert, call a truck leasing expert—your nearby Ryder representative. He'll show you how you can switch to brand new Fords or other fine trucks without investing a cent. Or if you prefer, he'll buy your present fleet and lease it back to you. In either event he'll get you more reliable, more efficient truck transportation than you've ever had before.

There are 202 Ryder offices—you can't be far from one. Telephone or write today...as a favor to your financial man.

For a free copy of **Ryder Leasing: The Modern System of Transportation Management** call a nearby Ryder office, or write Ryder System Inc., Box 816, Miami, Florida 33133.

RYDER SYSTEM INC.



FOR LEASE OR SHORT-TERM RENTAL **RYDER** OFFERS **FORDS** AND OTHER FINE TRUCKS

Relax



Here comes help with your group training.

It's help that starts with a problem—yours. And let's face it—every company has a training problem of one kind or another these days.

Training coordinators from ICS Services tackle your problem head-on. First they *analyze* the problem. Then, once they've pinpointed your exact need, they're in a position to recommend a specific training approach—an on-target program that will save you time and money.

Your ICS Services classroom can be at your plant, at our modern training center, or *anywhere* you wish. We'll administer the instruction . . . or teach your supervisors to do it. We'll work with you in any manner that is most convenient to you. Just as we're working with seven thousand industrial clients . . . of all sizes, of all types.

The training may involve material from our $4 million library. Or instruction specifically prepared . . . for you alone . . . by our program development staff. Or *both*, depending on your exact needs.

The program could revolve around instruction sessions on the production line. Or working seminars, conducted by our staff, with "feedback" to you on each participant's progress. Or after-hours training via Educasting, our unique, tested, radio-TV teaching system. Your needs call the shots.

And you can relax about the whole business. The end result is going to be people trained precisely the way you want—being trained by America's most experienced industrial training organization.

Want complete information on how we can help you? Call our president, John C. Villaume, direct. Just dial 717-342-7701. Make it collect, if you wish. Or write I.C.S. Services, Scranton, Pa. 18515.

I.C.S. SERVICES®
TRAINING FOR INDUSTRY

Where business leads, the world follows

BY FELIX MORLEY

It would be a more promising summer, says a friend with teen-age daughters, if the telephone would automatically reject all calls, incoming and outgoing, directed towards persons under 21.

Put more broadly, it would be ideal if we could get the benefits of scientific and technological progress without having to face their disagreeable by-products. But life does not operate that way. The better the automobile, the bigger the traffic jam; the more extensive the schooling, the more difficult communication between teacher and pupil; the more complete the democracy, the less the individual's importance as a voter.

In most relationships this shadow side of progress is fully recognized and there is constant effort to diminish what is called "cultural lag." Thus, as production and distribution improve, business leadership pays ever greater attention to problems of personnel and marketing. Nobody argues any longer that the values of free enterprise demand a merciless attitude towards employees, or indifference to the whims of customers.

• • •

It is the more disturbing, therefore, that in the field of international relations, on which the stability of commerce depends, conciliatory effort has become so ineffectual. While vastly improved communications have now brought all nations into intimate contact, this has so far seemed to increase rather than eliminate mistrust and suspicion. Even the word "appeasement" has been given unsavory meaning.

Some people ascribe this unhealthy atmosphere to the revolutionary objectives of theoretical communism. That has certainly helped to keep the world in turmoil for many years. But there are strong indications that less obvious factors must share the blame. The teachings of Karl Marx were no threat until the murderous war of 1914-18 had torn European civilization to shreds. Furthermore, it must in fairness be doubted that the effort to extend communistic control, over the past half-century, has actually been more aggressive than the effort to contain it.

There are also some who argue that the underlying cause of international frictions has nothing to do with communism but roots in the jealousy of underdeveloped countries towards those which have achieved a high degree of economic integration. This, too, is not a wholly satisfactory explanation. Russia has now become a great industrial power, producing last year 75 per cent as much steel as the United States. But such accomplishment makes us more rather than less suspicious of the Kremlin's purposes.

Indeed this rivalry for physical power, expressed in military terms, has itself throughout history been the chief cause of wars, even though veiled by moral considerations. That is because, in a condition of international anarchy, one government can enforce its will on another only by diplomatic or military pressure. And the first pressure is likely to be much more effective if backed by the second.

There is, however, a serious defect in the easy reliance on military strength. It tends to transfer the very real asset of morality to the weaker side, as Hitler found when he so easily overran small nations unable to resist his armies. And, aside from that, the successful exercise of physical power may altogether fail to provide any lasting solution, even from the victor's viewpoint. One of the principal anxieties about Viet Nam today comes from the indications that military victory there will not achieve political stability.

Not even under imperial Rome, when distant China remained completely independent and inaccessible, has there ever been a single unrivaled government. The nearest the world has come to it is in our own extraordinary era when, after the collapse of Europe, two giant nations faced each other around a globe shrunk almost to capsule size by scientific progress.

Fortunately, however, there could be no immediate

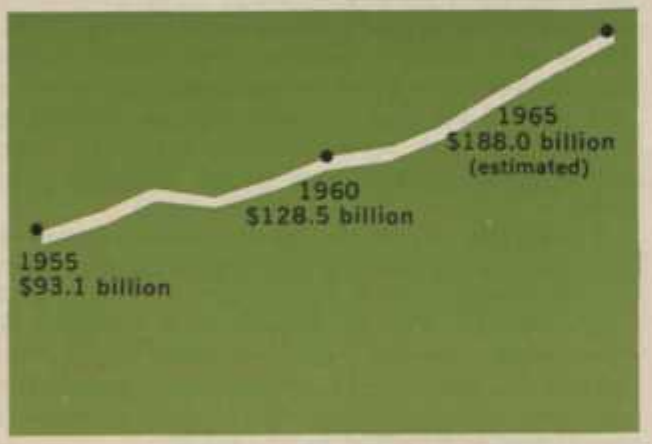
Dr. Morley is a Pulitzer Prize-winning former newspaper editor and college president.

showdown between these two colossi. Russia was too devastated and gorged with conquests; the United States was too war-weary and sick of slaughter, to permit the ultimate disaster which was theoretically possible 20 years ago. And now the pre-condition of polarization no longer exists.

The Chinese split with Russia has destroyed the capacity, if not the desire, of both for further revolutionary aggrandizement. Each, indeed, is having trouble in holding gains already achieved. On the other hand, the rapid recovery of resourceful Europe has encouraged de Gaulle in his clear ambition of building a Third Force politely neutral as between Moscow and Washington. As Indonesia rebels against Chinese influence there, Spain announces that it will have nothing to do with debilitated NATO. "The Spaniard," says Foreign Minister Castiella, "is aware of the new winds of history, and welcomes every sincere effort for co-existence."

In short, both of the rival power complexes have been weakened and disorganized. And with this great change the problem of peaceful co-existence enters

World exports: heading up



a new and potentially promising stage. It has a historic precedent. When Christian and Moslem found that neither could conquer the other they settled down, centuries ago, to live in relative peace.

• • •

Always, even at the time of the Crusades, the interest of the merchant has been trade, not conquest. It is no accident that with the end of polarization the trading instinct everywhere exhibits greater energy. Japan, seeking to penetrate the isolation of China, is certainly one illustration. Who would have thought, after Hiroshima, that this battered country would by 1966 be building far more merchant tonnage than any other seafaring nation?

The oft-cited "miracle" of West German recovery is at least equally a case in point. Nor are its consequences stopping at the zonal border. None can as yet predict results of the discussions now opened between leaders of the two Germanies. But it is clearly a step towards reunification of the divided nation. And this advance was sparked by businessmen.

France also has more than recovered from wartime disaster and is today by every index more prosperous than when she ruled Saigon and Casablanca. De Gaulle's visit to Moscow this month will do more than symbolize the restoration of Franco-Russian friendship. It is as full of portent for change as the recent conversations between the Russian Foreign Minister and Pope Paul.

Thus the cultural lag, which has kept civilization from taking full advantage of scientific progress, seems to be slowly ending. The accomplishment is very largely the work of a multitude of anonymous traders who push ahead, now here, now there, to develop the peacefully irrigating channels of commerce. And when the trader leads, governments will often unexpectedly follow. On Canadian initiative a handsome new Russian liner, the 20,000 ton *Alexandr Pushkin*, is now in regular passenger service between Montreal and Leningrad. When Andrei Gromyko visited the pope he also signed the agreement whereby the Italian government will finance construction of a huge Fiat automobile plant in Russia.

Nor is it singular that nations which were defeated in the last war have done so much to rebuild and amplify world trade. If met with dignity and courage, defeat is unstained by dishonor, on the battlefield or elsewhere. Conversely, there is no honor for the victor who cannot show compassion and humility.

• • •

The many signs of improvement in the world as a whole today offset, but certainly do not ameliorate, the tragedy of Viet Nam. And the situation there remains the more disturbing because of the constant fear that the fighting may escalate into war between China and the United States—a fantastic conflict which neither could possibly win in any meaningful sense of the word.

Such an outcome could only result in drawing Russia back to support of China, while further strengthening European detachment from the United States. This would be a failure of our diplomacy at least as pronounced as that which permitted mainland China to slip into the hands of bitterly anti-American leadership.

Inept policy towards Peking now would be the less pardonable because of the long record of excellent Sino-American commercial relations. Memory of the famous China Clippers is still a rich part of our maritime history. And Mao Tse-tung's propagandists could reasonably recall that it was our Open Door policy which first gave their country a fair deal in its trade relations with the outside world.

On our side should be the recollection that for over a century China was systematically humiliated and exploited by European and Japanese colonialism. As Senator Fulbright says, this sorry background should strengthen our magnanimity and patience in face of the defiant and often offensive nationalism now dominant on the Chinese mainland.

Without that stature on our part there will be grave danger that all the beneficent influence of commerce for world stability will again prove futile.

If Avis is out of cars, we'll get you one from our competition.



Somehow or other, we'll put you in a car.

We're not proud. We're only No.2.

We'll call everybody in the business (including No.1). If there's a car to be had, we'll get it for you.

At the airport, we'll even lock up our cashbox and walk you over to the competition in person.

All of which may make you wonder just how often all our shiny new Plymouths are on the road.

We have 35,000 cars in this country.

So the day that every one is out is a rare day for Avis. (If you have a reservation, don't give it a second thought.)

And don't worry about the car our competition will give you.

It's for an Avis customer and they know it.

This is their chance.

© AVIS RENT A CAR SYSTEM, INC.

One thing this Coronastat 55 won't do is "nickel and dime you to death" with hidden extra charges.

Some people order a photocopier expecting to pay such-and-such per copy and wind up getting quite a surprise when the first *bills* come in. One bill is for the number of copies they made. And another—the unexpected one—is for things like paper, supplies and service.

With a Coronastat™ 55™ in operation you pay only for the copies you make. There are no "hidden costs." Yet the copies you make on a Coronastat 55 can cost less than two cents each.

Let us send you a cost-per-copy chart that will show you our costs in comparison with those of other leading copiers. You can figure out for yourself just how much you'll save with a Coronastat 55 at work in your office. It may be hundreds—and could be thousands of dollars a year!

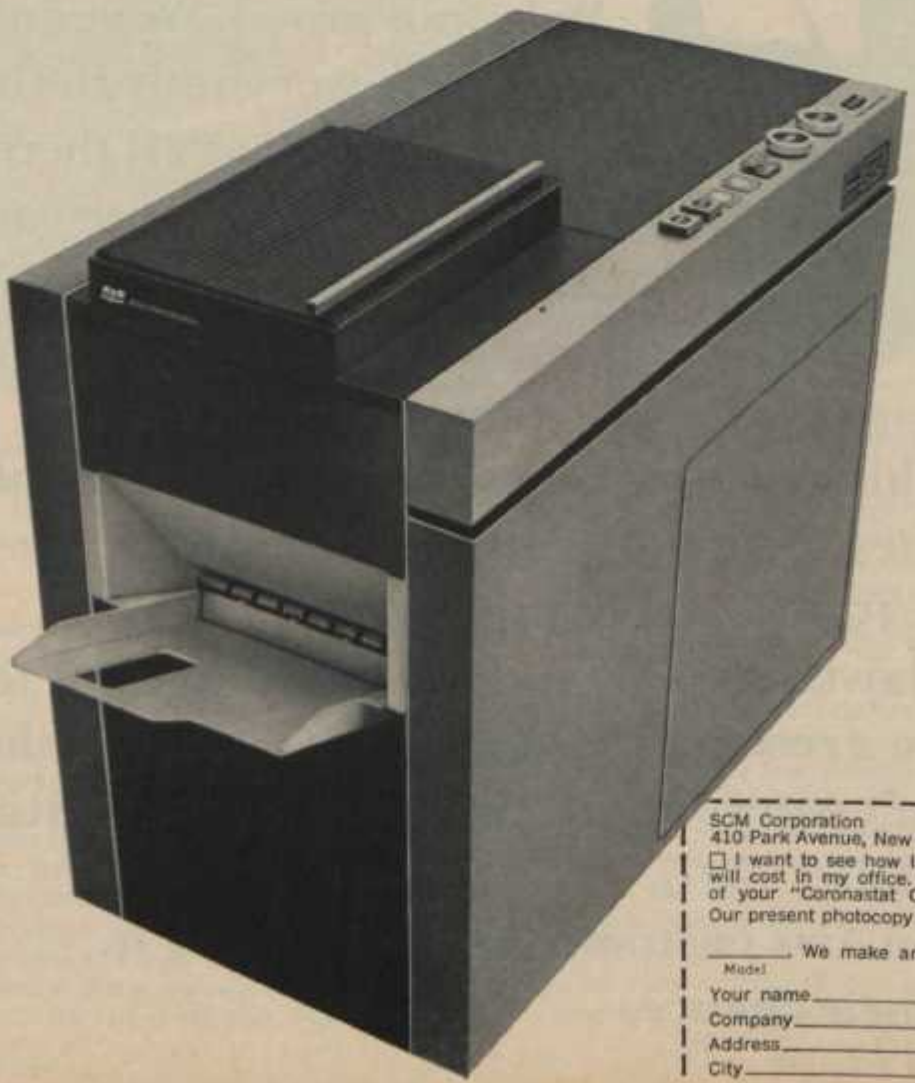
There are other savings a Coronastat 55 brings as well. No special wiring is needed. (You can even wheel the Coronastat 55 from department to department if you wish. Just plug it in.) The size is right, too. This console copier will fit where others won't.

Whether you have a copier in operation now or are thinking about buying your first photocopier, it will pay you to find out all there is to know about Coronastat 55.

SCM ELECTROSTATIC COPIERS

SCM CORPORATION, 410 PARK AVENUE, NEW YORK, N. Y. 10022. OFFICES IN CANADA AND MAJOR CITIES THROUGHOUT THE WORLD

SCM



SCM Corporation
410 Park Avenue, New York, New York 10022 NB-6

☐ I want to see how little Coronastat 55 photocopies will cost in my office. Please send me my free copy of your "Coronastat Copy Cost Comparison Chart."

Our present photocopy equipment is _____ (Brand name) _____ (Model). We make an average of _____ (No. of copies) a month.

Your name _____

Company _____ Title _____

Address _____

City _____ State _____ Zip _____

Promise-her-anything won't work in Washington

BY ALDEN H. SYPHER

The long, expensive table in the softly lighted executive conference room in the national headquarters of the United States Office of Economic Opportunity was never intended to be used like this.

Here is where Director Sargent Shriver and his top-level aides sit in comfortable, round-backed chairs and make battle plans for the war against poverty in the Great Society.

Here is where men make budgets of many, many millions with slices for this project and that, and where they review and approve such moving ads as:

"The work will be tough, the hours long, the pay low—

"And you won't destroy poverty—

"But you will be helping."

But at this moment no soft-sell slogans were on the table. There were tears. Big, warm tears flowing from the ample cheeks of Mrs. Barbara C. Taylor. Sitting with her were a dozen other angry persons from Southeast Washington—most of them, like Mrs. Taylor, residents in a public housing project.

At the head of the table were three rather uncomfortable OEO officials—generals in the anti-poverty war.

Just now it seemed the battle was not against poverty, but between the 13 and the three. For this was a sit-in.

"The people are looking for something, looking for a way out, a way to get their kids off the street," said Mrs. Taylor between heaving sobs. "And all you can tell us is that there's not enough money."

"There just isn't enough money," said one of the generals at the head of the table—the one in charge of community action. He didn't seem to like it when he got it. "The expectation is exceeding the available dollars."

"You should have never started building up the hopes of the poor," said Mrs. Taylor, now sobbing even more heavily. "I got four children and I don't want them growing up in the streets with rats running around. If you're not going to really help us, then take your poverty program away. Just take it away."

This was too much for another of the generals at the head of the table who doesn't usually get this close to the battle zone, and who found the odor of combat strange.

"Wait a minute," he said. "I know a little about coming up the hard way. I have 10 children and I took a 50 per cent cut in salary to come to work here." ("The work will be tough, the hours long, the pay low. . . .") He didn't mention his present government salary of $28,500 a year.

"She's telling you like it is," broke in another of the sitters-in. "You should come down and see what it takes to get a person to respond."



Mr. Shriver is plagued by sit-ins, shout-downs and other angry protests against his poverty program.

"I've been all over the United States," said the general impatiently. A few moments later he departed, leaving the field to the two lesser generals.

Curiously, this battle was among people who answered a call to the same side to fight the war on

Mr. Sypher, a life-long journalist, is the former editor and publisher of NATION'S BUSINESS.

poverty. Mrs. Taylor is vice president of the Neighborhood Advisory Board to the Southeast Neighborhood Development Program, a cadre in the OEO organization.

Her specific complaint, and that of her co-sitters, was that not enough of the poor were being appointed as neighborhood workers. These are subprofessional anti-poverty aides who are paid to carry the program to others in their neighborhood.

Only 10 were assigned to her area, Mrs. Taylor pointed out, to reach 130,000 persons. She proposed a ratio of one worker for each 100 families.

The visitors had arrived at noon, demanding to see their leader, Mr. Shriver. But he was out of town. Thus the sit-in began. By 7 p.m. they had extracted from Mr. Shriver's aides some vague promises, some advice to lay their problems before members of Congress and one hard proposal: taxicab rides home at government expense.

They took the whole bag and the sit-in was over.

Within a few days OEO announced the authorization of 94 additional neighborhood workers, including 15 assigned to Southeast Washington, an increase of 150 per cent.

This pleased Mrs. Taylor very much. It wasn't nearly what she had asked for, but she hadn't expected to get all she asked. She was doing a little bargaining, with tears. And she had proved there really is an office of opportunity.

That is how your government works.

Throughout this nation there are people expecting great changes for the better they believe have been promised them in soaring phrases, in moving speeches.

But, as the man said to the tearful Mrs. Taylor, there just isn't that much money.

Only in Washington can a group of angry people vent their frustration by invading national headquarters offices and in them find public servants who may react to a sit-in by expanding a program at a cost of $47,000 a month in tax-collected or foundation-furnished money.

Perhaps there are many other persons in many other places across the nation who believe they have been promised a better life, and who have become angry because it isn't forthcoming.

They haven't Mrs. Taylor's opportunity to protest, unless they journey to Washington—and that executive conference room is a little harder to take over than it used to be.

• • •

So in other places during the summer such frustrations might be vented in other, more violent ways.

If they are, before you put all the blame on agitators, recall the words of Mrs. Taylor: "You should never have started building up the hopes of the poor. . . ."

You might want to attribute some of the blame to the politicians who spread hope far and wide in righteous, ringing words without first determining the needs, and building the capabilities to carry out their implied promises.

Mrs. Taylor had a chance to meet Mr. Shriver a few days later. She made the most of it.

It was in a Washington hotel dining room where 700 persons representing the poor across the country were attending a luncheon session of the Citizens Crusade Against Poverty, an organization underwritten by the United Automobile Workers.

Mr. Shriver was the speaker. He described the war against poverty as a movement that no one can stop, and he cited OEO's accomplishments in words and figures. He went on:

"We've begun to help people realize that controversy and criticism isn't all bad. That you've got to have controversy and criticism if you're going to achieve progress.

"Dollar per dollar, we've generated more controversy and criticism or more press coverage than any domestic program in recent history. Never have so many been paid so little to talk so much."

At that point a leader of the Mississippi Freedom Democratic Party, who had delivered a highly critical speech at an earlier session, stood up in front of Mr. Shriver and shook her fist. "I want to ask a question," she screamed.

Calls of "Sit down" and "Hush" added to the noise. Shortly Mrs. Taylor, again in tears, began to shout repeatedly: "Tell us where the poor are being helped."

Others who had entered through side doors and filtered to the front of the room took up the shouting. Despite the din, Mr. Shriver kept on doggedly.

"The discontent of the poor is explosive," he said. But no one heard him through the noise of the roaring poor.

"The poor are dissatisfied," he said, "deeply dissatisfied." The crowd continued to shout.

Just as Mr. Shriver completed his speech a Cleveland delegate grabbed his microphone and screamed: "We demand to be heard."

"I will not participate in a riot," said the dazed leader of President Johnson's movement against poverty. Aides rushed him through the pushing, shouting people to the lobby and on to the sidewalk, where he ducked into a car.

"Nothing like this has ever happened to him before," said a shocked aide.

• • •

Only a few minutes before Mr. Shriver had told his audience, which then was still listening:

"We knew when we started we did not have enough money to do the whole job—in one year or in one month for all the 32 million Americans who are poor.

"But it would have been foolish, indeed, to wait to start until we had enough money, or staff or knowledge."

Would it? Not nearly as foolish as the pattern which has been pursued, which Director Shriver outlined in his speech and which has brought him to the conclusion, 20 months after the war against poverty was launched, that:

The discontent of the poor is explosive.



We're looking for: a man of purpose.

We're looking for a man such as Howard Teeter, Al Moniot, Jack Hanley.

You may not know these men. But thousands of people do know them, respect them, depend upon them in Kalamazoo, Michigan, Philadelphia and Oakland, California.

As men of purpose, they are noted for unselfish dedication to their work, for helping others settle their affairs, and for the strength they impart in making the Equitable a leader in the life insurance business.

They exemplify the 7,000 and more men and women of purpose who represent the Equitable in all 50 states. They are outstanding examples of the men and women Equitable seeks today to grow with it as it grows with an expanding population.

The Equitable's purpose is the same as it has been for 107 years... to serve the public with the finest of life insurance coverages... to prepare, compensate and direct its representatives toward proved roads of success.

Above all, Equitable's purpose is to maintain its position of recognized leadership in the security it affords millions of families, in its vast investments in countless communities, and in the caliber and stature of its people.

If your purpose in life is to lead and to be associated with leadership, write to Coy Eklund, Senior Agency Vice President at our Home Office.

Purpose and leadership go hand in hand.

LIVING INSURANCE...FROM EQUITABLE®

THE EQUITABLE LIFE ASSURANCE SOCIETY OF THE UNITED STATES
Home Office: 1285 Ave. of the Americas, New York, N.Y. 10019
An Equal Opportunity Employer M/F © Equitable 1968

Are you paying full-time for part-time dollars?



Probably, and reluctantly, yes. On a typical unsecured short-term loan, your company pays interest on the full amount for the full duration. Yet you can usually use only 80% of the dollars . . . and may *actually* use, on a daily average, closer to 50%. Then your per annum interest rate is twice what it seems to be.

Compare the cost of *accounts receivable* financing . . . the kind that made Commercial Credit famous. Here you pay strictly for the cash you need and use, on a *day-to-day* basis. You efficiently control the cost of borrowed money . . . and your *real* interest rate is often lower than for funds acquired by other means.

Compare, too, the amount of cash you can raise on receivables. A Commercial Credit business loan usually makes *more* money available . . . *more* promptly . . . than other sources can. Borrow as much or as little as required, for as long as desired . . . without repeated clean-ups and renewals.

CCCash, as we call it, is a very special kind of money. To get some, or to learn more reasons why you should, ask for our man in *your* area who has all the answers.



Call Commercial Credit

Atlanta	270 Peachtree St., N.E.	525-4938
Baltimore	2315 St. Paul St.	MU 5-1400
Chicago	208 S. La Salle St.	DE 2-3716
Cincinnati	1003 Carew Tower	721-2962
Los Angeles	722 S. Spring St.	MA 4-9431
New York	50 W. 44th St.	OX 7-3500
Oklahoma City	120 R. S. Kerr Ave.	CE 2-0587
San Francisco	44 Montgomery St.	982-6362

CCC

BUSINESS LOANS: Another service offered by subsidiaries of Commercial Credit Company, which has assets of over two and one-half billion dollars.

What we are learning in Viet Nam

Battle-tested theories, research under the gun, jungle-bred ingenuity are dividends of the war

A rifle bullet zings past the propellor of the little plane lazily circling overhead. Quickly, the pilot pulls the pin from a hand grenade, jams the grenade into a glass that might have held a highball the night before and swings back over the spot from where the shot came.

Sliding open a side window, he drops the grenade-filled tumbler. The glass breaks when it hits the ground, the handle on the grenade pops up, the grenade explodes and —if the pilot's Kentucky windage was accurate—another enemy soldier bites the dust.

A Sopwith Camel over German trenches in 1918?

No, a U. S. Air Force 0-1 Bird Dog observation plane over a communist patrol in South Viet Nam in 1966.

"The boys get pretty good at it," chuckled an Air Force officer recently. "And it gives them a means of protecting themselves in an otherwise unarmed plane."

The officer cited this return to the days of goggles and hand-held bombs as more than an up-to-date outcropping of the fond—and true —tradition of GI ingenuity.

The real significance behind his message is that the Viet Nam War is teaching our armed forces valuable lessons which will make our defenses stronger.

"Out of the flood of information and the volleys of debate," believes Air Force Secretary Harold Brown, "has come a general understanding that, though the war in Viet Nam may be small compared to the World Wars, it is one of the most complex and difficult in our experience. It is, for us, a new kind of war."

Four lessons from Viet Nam

Besides the obvious and prime goal of restraining aggression, the value of the war to us is fourfold:

• The fighting is enabling the services to spot needs for new equipment.

In the above scene, it is an observation plane that can shoot back, and have other capabilities (presumably more sophisticated than the grenade in a tumbler). Such a plane is expected to go into service next year.

• It is producing better trained, more effective fighting men, better able to take care of themselves.

"The Navy had become con-



PHOTO: KLAUS STAS



Viet Nam is testing new equipment. Deep in the jungles of War Zone D, near Saigon, an Army patrol (left) searches for Viet Cong. Soldier in front readies lightweight M-16 rifle. Tape strips help camouflage it. His companion's rapid-fire machine gun can do double duty as protection for helicopters (right). Gunner in open hatch wears bullet-proof vest, eyes a village and rice paddies below.



PHOTOS: PIX

What we are learning in Viet Nam *continued*

cerned about the fact that it had a whole 10-year generation of young officers who had never served in combat," a career naval officer pointed out recently. "As unfortunate and unwanted as the Viet Nam fighting is, it does have the traditional effect of 'blooding' the young officer."

• It is proving—or disproving—theories worked out only on paper by military planners.

The most controversial planner of them all, Defense Secretary Robert S. McNamara, is cheered by the success of the new airmobile division. It has 434 planes and helicopters attached to it and can move all manner of men and equipment swiftly by air. The Army organized the first such division last summer more or less on a test basis and baptized it in Viet Nam. Its success promises to revolutionize concepts. "On the basis of this division's performance in South Viet Nam, we are planning on the conversion of one additional division to the airmobile configuration," Mr. McNamara announced recently.

• And the war is forcing the Pentagon's managers to take a sharp new look at their methods of managing the nation's defenses. "The biggest lesson of Viet Nam is this," one of Mr. McNamara's high civilian aides replied to a questioner the other day. "Never assume you can preplan a military operation. It is always different than you thought it would be.

"The need is for flexibility. You can't freeze yourself.

"Whoever thought we'd be using B-52 strategic bombers to fight a guerrilla war? Or weapon-carrying helicopters? We had always planned that in a crisis like this we would call up all the reserves right away and extend tours of duty. But we haven't yet.

"If you stick to the preplan, you're only going to get in deeper difficulties."

This military official's point is that the trial and error of the war is developing new and better ways of doing things which planners, unchallenged by a lead-throwing enemy, had not thought of. His broader comments about planning in general are fighting words to Mr. McNamara's critics. Some charge lack of preplanning is the whole trouble, that better planning would have provided more fully trained troops and more equipment faster. Others contend the Pentagon itself has actually overplanned to the extent that time schedules for production and delivery of supplies have been cut too fine and too many operations are minutely directed from Washington.

No matter what your opinion about the management of the war —or even your feelings about our being in the fight at all—the conclusion remains that the United States is better prepared to meet coming communist challenges elsewhere in the world. One staple of communist strategy on which Russia and Red China still seem to agree calls for "wars of liberation" of the Viet Nam type in other small underdeveloped countries.

"From our experience in Viet Nam," pipe-smoking, silver-haired Paul H. Nitze, Secretary of the Navy, asserts, "we have learned lessons applicable to world-wide readiness and the posture of the Navy and Marine Corps. We must be prepared for escalation in Southeast Asia as well as for actions of varying nature in other world areas." High Army and Air Force officials agree.

There is absolutely no evidence.

(continued on page 50)



PHOTOS: DENNIS BRACK—BLACK STAR

New way to roll out the pork barrel

"We'll have a barrel of funds," lawmakers promise home folks





An exuberant Department of Interior official shows where a proposed new national park would be put in the 16th District of Texas. The map is held by the district's freshman Congressman, Richard C. White. At a break in the meeting, White's constituents cluster about a table, stuff envelopes with promotional brochures spread out by federal agencies to tell about their giveaway projects. Secretary of Interior Stewart L. Udall, below, praises "Dick," a fellow Democrat, for the push he's shown in obtaining federal programs for constituents.

You'd have thought it was a wake, everybody was saying so many nice and praiseful things about him.

But bright-eyed Congressman Richard C. White was very much alive. His political career, moreover, seemed to be getting a new lease on life.

Surrounded by fellow Texans from the Sixteenth Congressional District he represents, Representative White listened to a parade of Administration officials extolling both him and their agencies' latest handout programs and explaining how they all seemed to fit naturally together.

The scene was an ornate House hearing room in Washington. The event was a "freshman conference," an innovation in American politics that your tax money is helping to support.

Freshman conferences have two main purposes: First, to publicize the federal government's grab bag of giveaways; second, to re-elect freshman Democratic Congressmen.

Scores of Administration officials of all levels leave the public's business unattended to go to these affairs where they display a bounty of public offerings before the eyes of selected citizens from a freshman Congressman's home district. The audience at each conference is composed of mayors, councilmen, businessmen, educators and labor and social leaders—anyone who commands some public influence in the district of a Democrat who's serving his first term in the House.

High federal officials appear at the conferences, whether they are held in Washington or in distant states, in response to phone "invitations" from Vice President Hubert H. Humphrey.

The Vice President expects that the conferences—some 55 of which have been held in the past 13 months—will pay off handsomely at the polls Nov. 8. There are 75 freshman Democrats in the House. Of them, 37 are from traditionally Republican districts that went Democratic in the Johnson landslide of 1964.

Staging comebacks

The Administration wants these Congressmen back in the Ninetieth Congress, both for their votes and for the added weight of seniority they can put behind Great Society programs. The theory behind these conferences is that Representatives can avert opposition in the home districts if they can shower constituents with federal favors. Supposedly, the pitch goes, no Congressman is better able to do this than one who has friends in the White House and throughout the executive branch.

Representative White's conference, held last April 18 and 19, was typical. Officially billed as a "community development conference," it drew some 45 prominent constituents from the Pecos and El Paso areas.

Thirty-two federal officials took time out from their regular work to appear before Representative White's group. In speeches and in expensive brochures, they described a largess of loans and grants for water and sewer development, ur- *(continued on page 92)*

The buck's being passed to you

Chorus of the Goldfinger theme

You would almost think that a lot of the country's economists had gone crazy when you hear what they are saying today.

Even First National City Bank of New York comments: "In the peculiar economic logic of 1966, the size of the first-quarter boom was 'bad news.' "

You hear buck-passing, like we haven't heard for years.

And you find a growing chorus of what some economists call "The Goldfinger Theme"—named for Nat Goldfinger, the chief economist of the AFL-CIO.

Of course, the reason behind all this confusion is the alarm over the threat of inflation. It has started a great deal of economic talk almost contrary to what we have heard in the many years we have worked toward reaching our present prosperity.

It's in that light that figures on the continuing boom are "bad news," because they are clues to possible inflation.

That's when the buck-passing starts.

Who's to blame? One day it's the farmer, another day the housewife, for not buying carefully; another, organized labor; and another, Congress.

But generally, it's the businessman who is pictured as the villain.

According to the Goldfinger theme, it is largely due to business making too much profit.

It may be useful to straighten out some of the facts in this topsy-turvy debate.

What really causes inflation is abundance of money combined with a scarcity of goods. Business, of course, must supply the goods. But much of the current talk ignores the fact that it cannot control the supply of money or the demand for goods.

And yet business is being asked to postpone building the plants and buying the equipment that could increase the supply of goods. As part of its contribution to the Viet Nam War effort as well as the effort to control inflation, business is cooperating. But most economists agree that holding down investment is not the long-range answer.

Business is also being asked to keep prices low, even though wages and other costs are rising rapidly. The standard, of course, is the so-called guideposts.

As Henry Ford II says:

"I have no quarrel with the idea that government has a duty to remind private citizens of their responsibilities to the nation. But the government has moved on from reminders to a considerable amount of pressure, applied mainly to business, and in a very few cases to labor. In effect, we are moving toward a kind of informal and very spotty price and wage control.

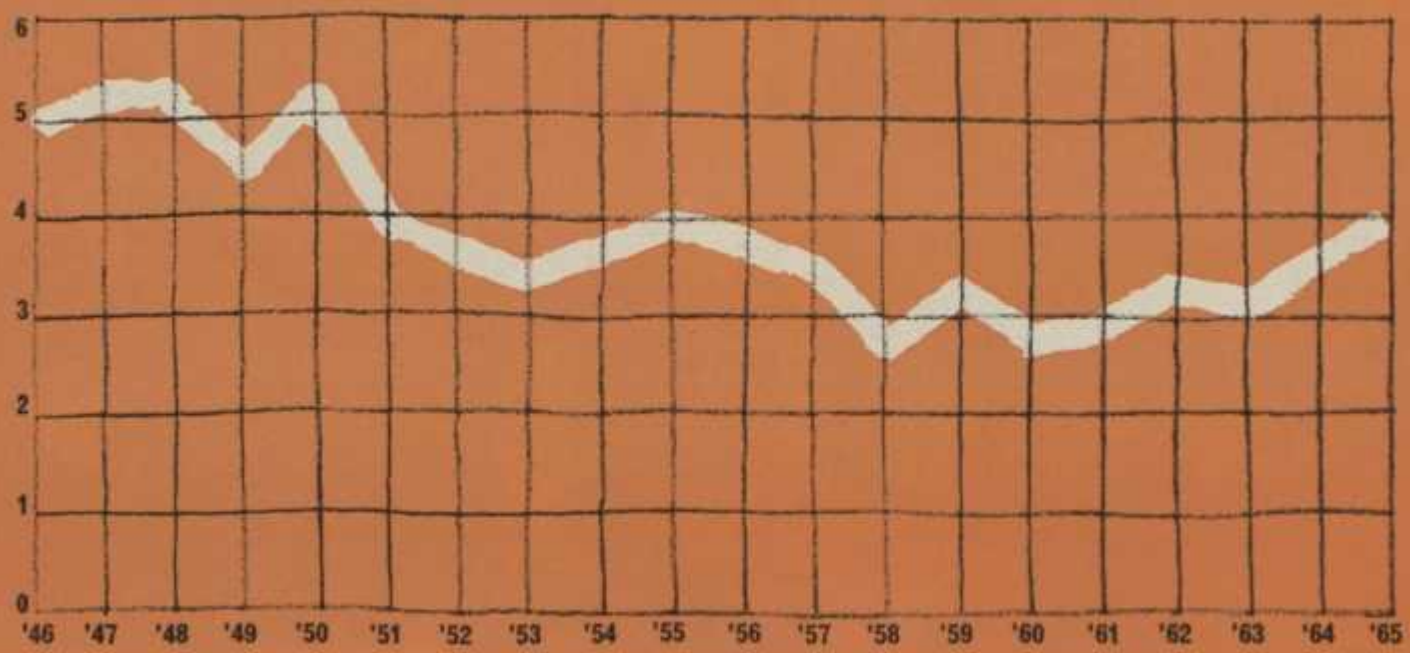
"Nobody believes that the guideposts can possibly succeed in holding back inflation if demand pressures continue to build up. If the guideposts are called upon to do a job that is too big for them to handle, prices will still rise. The only result will be to break down confidence and to build up antagonism between government and the private sector of the economy. The growth in confidence and cooperation between business and government in recent years has been very good for our country. It would be a shame if those gains were now lost."

And finally, business is being criticized for its profits. Yet examination of the record (see chart) shows that there has been little real gain in profits over the past 20 years. Even in today's boom, the percentage is not as high as it was in 1946. Even by the most liberal measurement, it is not much more than a nickel on every sales dollar.

The figures for the first quarter of this year, which touched off some debate, were no more than a half a cent higher than a year before.

In fact, some experts are wondering whether these same figures are signaling the beginning of a new profit squeeze, because the year-to-year rise was less than it

What's happened to profits in 20 years



As percent of sales—all corporations except finance, insurance and real estate. Jan-Sept

has been. One expert points out that when prices rise, the things businessmen buy go up as well as other things. And this squeezes profits. He also notes that as demand increases, less productive plants and equipment are used, so the costs of making things are higher.

Secretary of Commerce Connor puts it this way:

"With regard to the pressure on prices, a part of it has emanated from continuing increases in costs. When such costs increase, whether from wage demands, from the use of less efficient production facilities, overtime hours, or any other source, it is natural for businessmen to try to maintain profit margins and offset higher costs by raising prices.

"In spite of higher costs, business profits are still showing a good rise in this period of sharply increased economic activity, due in large part to increased sales. . . . And if, as our economy expands, we can avoid imbalances, business can be assured of a continued rising volume of sales and profits."

Hanging over the debate is the cloud of a possible tax increase. Whether this may become necessary depends not only on the Viet Nam War but also on federal spending for other things. Most businessmen believe that federal spending cuts are the answer.

Dr. Carl H. Madden, chief economist of the Chamber of Commerce of the United States, warns:

"The fiscal 1967 federal budget is inflationary under current economic conditions. The projected administrative budget deficit of $1.8 billion is at best speculative and at worst misleading. Further, the budget is bound to be more stimulative in calendar 1966 than in calendar 1965. An increase of $7.5 billion is set for government purchases and one third of the supplemental for 1966 of $15.7 billion is scheduled to be spent in the first half of this year.

"At issue is the timing of the impact of the federal budget. It is argued that the inflationary impact of higher military outlays in the first half of calendar 1966 may be largely offset by the $5 billion increase in social security taxes that took effect on January 1. But the effect of military expenditures occurs in the private sector upon placing of orders, since such production remains in the private sector until delivery. It does not show up in government expenditures until then. The contribution to economic activity occurs before government purchase. So, it is a mistake to conclude that during periods of rapid increases in government purchases private and not government demand lies behind inflationary pressures. The projected administrative budget deficit of $1.8 billion was achieved by what have been called 'gimmicks' on both the receipts and expenditure sides. Several proposed budget reduction programs may well not pass the Congress. These include agriculture, school lunch and impacted school districts.

"Other expenditures may also be underestimated, such as national defense and aids to housing. As a matter of fact, the cold war GI bill will cost over $200 million more than the budget estimate. Finally, some of the budget proposals involve legislation which may not be enacted. These include user charges of some types and revolving fund proposals.

"Even if the optimistic budget targets are achieved, the budget for 1967 can still be inflationary. If a budget deficit, however small, is combined with monetary expansion at recent rates, the result could still be damaging to price stability. No one wants to see the remarkable record of economic growth and price stability end in a period of recrimination among government, business and labor. Yet the clear signs of inflationary pressures being generated by government policy threaten to produce imbalances in the economy that could end our record expansion." **END**



Panelist C. F. Hood is a public affairs consultant for Standard Oil of Indiana.



Parade Magazine President Arthur H. (Red) Motley was discussion moderator.

Why politics needs business in '66

A Nation's Business conference presents four experts' advice on how you can get active now



Panelist A. Hugh Forster is director of public affairs for Armstrong Cork.



PHOTOS BY MICHAEL SULLIVAN

Panelist Byron DeHaan runs the public affairs wing of Caterpillar Tractor Co.

Are you going to lean back in your swivel chair and let somebody else decide the conditions for your future business operations?

Today politics and politicians are a major influence on economic decisions. If you don't believe it, think of the minimum wage, the price-wage guidelines, the balance of payments problem and the income tax.

Maybe you think you'll write off your political obligations with a check to your party's finance committee this fall.

Maybe you should think again.

Election year 1966 is a critical one for business and politics. Decisions at the polls can direct the course of peace and prosperity—and affect the size of your profits. Isn't politics too serious a business to leave to the politicians?

Read what public affairs experts say about what you and your company can do to help provide the right political climate for business.

Hundreds of companies today have executives assigned to keep top management tuned in on public and legislative affairs that affect them. NATION'S BUSINESS brought four nationally recognized leaders in this field together in Washington to discuss politics and business in 1966. The object: To show you why and how you can be more active in politics.

Leading the discussion is the moderator: Arthur H. (Red) Motley, firebrand salesman and pioneer in the push to move the businessman deeper into politics. Mr. Motley is the president of Parade Publications, Inc. The panelists are A. Hugh Forster, director of public relations and public affairs, Armstrong Cork Co.; Byron DeHaan, public affairs manager, Caterpillar Tractor Co., and Charles F. Hood, public affairs consultant, Standard Oil Co. (Indiana).

MR. MOTLEY: Why is the political activity of 1966 especially important to businessmen, as well as everybody else in America?

MR. FORSTER: We have a so-called consensus in our national government today, but that consensus is not made up of all the divergent points of view that comprise our society.

In the Congress, for example, there is an imbalance between what may be called the strong central government philosophy—which has a heavy majority—as compared to what might be called the free-market philosophy.

And, since all 435 seats in the House are up for election in 1966, there is an opportunity to restore a balance between these roughly opposing points of view.

If that can be accomplished, then perhaps we will have the ingredients from which a truly representative consensus can come.

MR. HOOD: To reach a consensus you must have opinions from all sides and all angles. One thing wrong today is that the business view is not really represented as it should be. Therefore, I don't feel that we really have a consensus.

I think the business community has been politically weak in expressing its opinions, in taking stands on issues, in speaking out.

To some extent, sure, it's being done. But it hasn't been done as much as it should be. This year, with so



A true "consensus" in U. S. politics will develop only when the businessman plays a more active role, argues A. Hugh Forster.

Why politics needs business in '66 *continued*

many elections scheduled, the opportunity for improvement is great.

MR. DEHAAN: I feel that participation by businessmen in these things that have national significance is a duty, a responsibility and an opportunity. To the extent that businessmen take part in these things and still reflect their views persuasively and accurately, it improves the quality of the consensus.

In a similar sense, personal participation by businessmen in the political processes from the precinct on up, and I mean in both parties, can also improve the quality of the consensus.

MR. MOTLEY: It appears to be the consensus of this group that business has not been as active as its competition in selecting, nominating and electing people to public office.

MR. DEHAAN: Right.

MR. MOTLEY: Why? Does anybody know?

MR. HOOD: We have to face the fact that in the past 20 years we have developed an entirely different type of business management—a professional management. These professionals have goals thrown at them. They have assigned duties. If a man is a production manager, it is to meet the production quota. If he is a sales manager, it is to meet the sales quota. If he is the president or chairman of the board of a company, it is that bottom figure on the financial statement, to be able to show the stockholders that the company is profitable.

But in this professional management we have failed to include political activity. Profits can be legislated away from a company just as well as waste can cause the profit margin to decrease or bad management can cause it to shrink.

Businessmen must get it into their heads that politics is a part of good management. They are going to be affected by politics.

MR. MOTLEY: You are talking about participation at the precinct level in the selection, nomination and election of public officials. Right?

MR. HOOD: That and being knowledgeable about legislation at the local and national level that would

affect business and industry generally or would affect a particular company.

MR. MOTLEY: You are saying that the old-fashioned entrepreneur, who had his finger on his community's pulse, has tended to disappear and that he hasn't been replaced. Is that right?

MR. HOOD: Yes.

MR. MOTLEY: Why has this happened?

MR. HOOD: I think it is partly a fear that was generated back in the 1930's and has continued onward in the corporation.

MR. FORSTER: Look back at The Twenties. Then it was pretty generally agreed that business was the business of America. The businessman, during that era, was pretty much on a pedestal. And then we had the Great Depression, which shook the confidence of the American people in the businessman per se. He was blamed for many of the great problems that came out of the Depression.

During The Thirties he was so busy trying to get his business back on the track, he didn't have a chance to do much else.

It was during this period that organized labor moved into a position of significant power in our economy.

Then we had World War II. Almost immediately after the war, labor recognized that the way to be successful legislatively was not just to lobby in Washington, but to elect people sympathetic to labor's point of view.

During this same period businessmen have not generally recognized that their great opportunity lies in the direction of working to elect people who understand and will defend and perpetuate the free-market philosophy.

MR. MOTLEY: If the businessman ought to be more active, what should he do?

MR. DEHAAN: There are two things he can do:

He can take a greater part personally.

Secondly, as an executive, or as the head of a corporation, he can encourage others to take a greater part in political affairs.

Essentially there are four things the individual can do: He can run, he can work, he can give and he can vote. By "run," I don't mean that everybody will run for Congress or for governor or state's attorney. But there are more than 6,500 seats in the state legislatures up for election in 1966 alone. There are tens of thousands of jobs at the local level and hundreds of thousands of jobs within the mechanisms of the political parties.

Secondly, he can work, which is to say he can work for somebody who is running.

Thirdly, he can give. A survey by the Survey Research Center of the University of Michigan indicates that only about 10 per cent of the adult population ever gives any money to political parties.

When people make an investment they become more interested in what they have invested in, whether a corporate stock or political party.

Finally, he should vote. A great percentage of people vote in general elections in Presidential years, but a rather appalling percentage don't vote in primaries and off-year elections. That is what we are talking about now, this year.

MR. HOOD: Much too often the excuse you get is that business and industry can't do a thing. It is illegal.

But there is no law in this land that restrains an individual in what he can or cannot do in political work—and this is what you are talking about. For the businessman, small or large, the corner groceryman or chairman of the board of a large corporation, there is no law that says he can't participate in politics as an individual.

MR. MOTLEY: The businessman, if he is successful—and if he isn't successful he doesn't stay in business very long—occupies a position of leadership. The community looks to him for leadership in civic enterprises, whether it is a hospital drive or Community Chest campaigns. *(continued on page 76)*

Mr. Forster *Mr. Hood* *Mr. DeHaan* *Mr. Motley*



BRIGHT YOUNG MEN CHOOSE BUSINESS CAREERS

Companies are now attracting and keeping fresh talent in new ways

A host of bright young men today are eagerly seeking business careers.

Today's college graduates are not rejecting business in increasing numbers.

Nor is the turnover rate rising among young men who have recently embarked on business careers.

But young men today do have new, different and—to their seniors—often annoying feelings about business and their role in it. Companies that fail to recognize this won't be able to recruit or hold the bright, well educated youngsters who will be tomorrow's managers.

These are facts revealed by a NATION'S BUSINESS survey of corporate personnel chiefs, college placement directors and young men in business. They should help allay fears that young college graduates have become allergic to business. But they also contain a clear warning that companies cannot go on dealing with these men in the same old way.

The notion that business has fallen out of favor with many collegians stems from five undeniable facts.

▸ An increasing number of college students are gripped by a desire to be of service to society. This is leading many of them into fields



like teaching, government and social work.

- More and more undergraduates are following liberal arts programs rather than business programs.
- There is a rapid rise in the number going on to graduate school.
- Many students take a critical or sneering attitude toward business.
- A very high percentage of students in the Ivy League colleges and other selective institutions are heading into the professions.

What the facts don't prove

However, these facts do not prove that college kids hate business, as is sometimes claimed.

For instance, although greater numbers of college seniors are going into nonbusiness employment, there is no evidence from the Bureau of Labor Statistics or other sources that the percentage of seniors going into business has declined appreciably, if at all.

Similarly, the growing popularity of graduate study and undergraduate liberal arts programs at first glance indicates less interest in business. But a closer look reveals nothing of the sort. Business, with its demands for more highly and more broadly educated men, is itself partly responsible for both developments.

As for on-campus, anti-business talk, much of it is just talk. "I think a lot of boys simply don't want to concede a strong business interest," says Edward Fitzpatrick, assistant placement director at Michigan State University. "They hear that the attitude at Harvard, Yale and Princeton is negative, and they don't want to seem any different."

Finally, the pronounced tendency of Ivy Leaguers to go from graduate school and into the professions is not representative of what is happening elsewhere.

"Check the state universities, for instance, and you'll get an entirely different picture," Mr. Fitzpatrick says. "If anything, I'd say that the number of boys going into business today is actually on the increase."

To the manager who is counting on young blood to keep his business growing, this is a reassuring picture.

What is happening to young college graduates once they are in business is also reassuring.

The turnover rate is far from some published figures of 75 to 90 per cent.

Dr. Frank Endicott, director of placement at Northwestern University, has studied the rate carefully. His latest findings show that nine per cent of all technically trained college graduates leave their first job by the end of the first year, an additional 12 per cent by the end of the second year, and another 12 per cent by the end of the third year. But then the departure rate drops sharply.

After five years, 64 per cent of technical graduates are still working for the company that originally hired them.

Among nontechnical men, the percentage on the job after five years is 60 per cent. At graduation, these men are less sure of the kind of work they want to do. Consequently, 15 per cent quit or are fired during their first year.

"Turnover today is less of a problem than it used to be," says Jack A. Peyman, vice president in personnel administration for the Chase Manhattan Bank. "About 66 per cent of the college men we hire stay on the job more than five years. There are three reasons for this:

"One, the men know better what they want. Two, we're selecting them better. And three, our training program is better."

Other companies explain above-average success in recruiting and holding desirable young college men in the same way.

Do's and dont's

Here are some do's and don't's that will help you attract college

(continued on page 109)



How to keep the go-getters

by R. W. Walters, Jr.

Director of College Employment
American Telephone and Telegraph Co.

Most training programs for young people hired fresh from college consist of long orientation sessions, detailed skill training, observation sessions or rotational experiences with limited involvement or responsibility.

What a waste of everyone's time.

These new men are anxious to make their mark—to do something—to contribute. In most instances they are not permitted to do this. Instead they must go through long periods of programmed experiences that supposedly prepare them to manage.

During these early experiences, the new men are learning at a rapid rate. Their learning antennae are as extended and as sensitive as at any previous time in their lives. But what are they learning? They learn some things from the organization that are not good for the organization. For instance, there are predetermined paces of learning in special company courses.

Usually these are comfortably paced, not designed to capitalize on the rapid learning ability of people right out of school. This gives them

(continued on page 70)

BUSINESS: A LOOK AHEAD

More noise about noise

(Manufacturing)

The game of the name

(Marketing)

Railroad spending rolls

(Transportation)

AGRICULTURE

Bushels of problems plague developing countries trying to feed themselves:

Famine-threatened farmers convert crop yield entirely to food, saving nothing for seeding.

Native scientists like developing improved crop varieties, have little interest in follow-up to promote wide use.

Fragmented land ownership; plots too small to justify owners' investment in mechanization even if they had cash.

Religious and cultural factors—as in India where sacred cows may feed on plants needed by the hungry.

Despite these, Agriculture Department experts report progress in improving yields through methods tailored to backward countries' problems. Groups like Rockefeller Foundation stress follow-through to spread benefits of improved grain varieties.

"I have every reason to believe that this will greatly improve the situation," notes Hugo O. Graumann, assistant director of Agriculture Research Service's research division.

CONSTRUCTION

Time-honored practices in industry can pay off for cities chronically pressed for construction and maintenance dollars.

C. Erwin Piper, administrative officer for Los Angeles, estimates city saves $5 million a year applying engineering work standards to maintenance.

This means analyzing repetitive jobs to determine best methods for performing them and reasonable time standards.

Starting with street maintenance, the city has been introducing the approach through a contract with H. B. Maynard & Co., Pittsburgh-based management consultants.

Success to date has prompted Los Angeles County to follow suit; other local governments have sent inquiries or observers to check the city's experience.

Los Angeles has cut payrolls drastically, triggering some labor gripes, but insists reductions have been accomplished by transfers and attrition, not layoffs.

CREDIT & FINANCE

"There just aren't any bright spots on the horizon."

These and like gripes are used by Oliver H. Jones, research director for the Mortgage Bankers Association of America, in forecasting a "dismal" shortage of mortgage funds through the rest of the year.

Too many forces underlying the tight money market would have to be reversed, he notes, including the Viet Nam War, continued high government spending and long-term business commitments for expansion.

These put pressure on funds supply and force anti-inflation restrictions by regulators.

Adding to the gloom in mortgage financing, especially for mortgage banks and savings and loans, Bankers Trust Company of New York points to "business investment booming . . . with the full impact of the growing defense burden on the economy still to come."

NATURAL RESOURCES

Navy research offers promise of gold mine under seas.

Deep-diving, long-endurance nuclear vessel—NR-1—is under development by General Dynamics Corp. as part of $37 million program.

While mainly for defense, project offers potential spill-over in quest for minerals on ocean bed. Observes Navy Under Secretary Robert H. B. Baldwin:

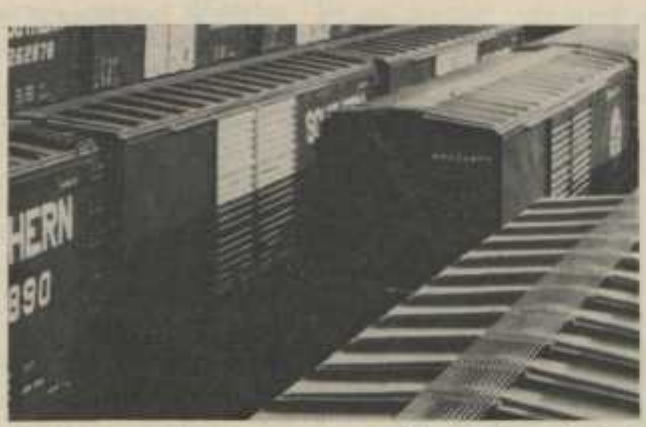
"The technology that will result from the design, construction and subsequent operations of this first-generation vehicle will be of tremendous value to industry, for it is quite probable that the energy and endurance requirements for deep ocean mineral exploration and recovery can only be met with nuclear power."

FOREIGN TRADE

Government plans new step to propel more U. S. firms into export field.

Commerce Department export promoters will soon start contacting 4,000 firms—biggest number yet,—which have expressed some interest in selling abroad.

These are mainly companies with no export sales or with limited markets they want to expand.



Freight car shortage exempts railroads from federal effort to slow capital spending (see Transportation).

Potential exporters will be put in touch with combined export managers. These are firms which act as export departments for manufacturers lacking skilled staffs. And they'll be put in touch with "piggyback" carriers, large firms already in exports and willing to handle others' products.

Government experts predict a "very good return" on the effort, noting expansion in combined export managers and piggyback activities.

New moves by Export-Import Bank, including establishment of rediscount facility for export accounts receivable, also are expected to improve prospects for overseas sales.

MANUFACTURING

There's growing demand for quieter equipment for plant and office.

Noise abatement is subject of more business conferences, notes Andrew Kalmykow, counsel for American Insurance Association of New York. Meetings range from American Industrial Hygiene Association's to last month's design engineering conference in Chicago.

Noise problems—damage to hearing, nuisance complaints, state and local regulation—aren't new. But they take on greater urgency as concern over environment increases.

New York Congressman has just introduced legislation for a study of causes, effects and prevention of harmful noise levels.

Mr. Kalmykow cites case of plant location dispute over noise potential that might wind up in court.

Noting complaints of equipment purchasers who can't get the quiet they want, he cites competitive possibilities: "It might be a good business-getter."

MARKETING

Changing signs of the times are just that.

More companies are changing their corporate names or adopting "communicative" nicknames more likely to stick in the consuming public's mind.

"There is a strong trend toward more evaluation by corporate management of the name—whether it should be changed or whether management should adopt a communicative name for such purposes as advertising, signs, business correspondence and so forth," says Lippincott and Margulies of New York.

The industrial design firm has handled many such changes. Citgo used to be Cities Service. Many people thought the name sounded like a utility.

Canada's The Governors and Company of Adventurers of England Trading into Hudson's Bay is now going by the name of "The Bay" for obvious reasons.

Some companies change to reflect diversification, enlarged scope of operations.

Stockholders of United Biscuit Co. just voted a change to Keebler, one of four brand-names the company uses in regional marketing setup.

One reason for selecting Keebler for parent name:

Company President Edward Hekman testified last year against so-called truth in packaging legislation. Informal chat with Senate Commerce Committee staff members about some United products, got comment: "I would have sworn that was put out by Keebler."

TRANSPORTATION

Freight car buying will continue sharp increase despite government's broad anti-inflation campaign to reduce plant and equipment investments.

Because of shortages, Administration has specifically exempted railroad rolling stock from President Johnson's plea to industry at large to: "Look at your equipment purchases and find some which can be postponed."

Association of American Railroads estimates spending for new cars at $1.5 billion this year, up $200 million over last.

AAR says pinch results from high demand, aggravated by stepped-up wheat exports. Spokesman adds that shortage complaints are exaggerated by shippers who hedge by placing orders with more than one carrier. Truck shortages also are indicated in freight car demand.

Roads seek to increase capacity by more efficient use of existing supply. Interstate Commerce Commission helps keep cars off sidings by increasing demurrage rates. These are charges to shippers for holding cars beyond normal loading and unloading time.

Calling in your chiefs?

Let Hilton worry about it.



Hilton will attend to all the hotel details that make a company meeting a company success. All the details—from meeting rooms to banquet halls for functions, large or small. **For reservations:** Call any Hilton Reservation Office (see phone book) or any Hilton or Statler Hilton hotel or inn.

HILTON HOTELS

IN VIET NAM

continued from page 37

however, that the Pentagon is using Viet Nam as a test-tube war at the expense of American lives, as some critics claim.

"We're not using Viet Nam like Russia and Germany used the Spanish Civil War as a dress rehearsal for World War II," explodes a touchy Pentagon aide. "The circumstances are entirely different."

Different circumstances or not, different intentions or not, Viet Nam is indeed having the perfectly commendable result of making the country better able to take care of itself.

Shattering old shibboleths

Traditionalists by nature, military men tend to cling to methods and equipment checked out in the last previous war as the norm until the next shooting.

And the soldiers are aware of this characteristic, as a talk with a leathery, snub-nosed Army colonel who fought with guerrillas in China and the Philippines in World War II demonstrates.

"When I joined the Army, we were still shoeing horses. Some of this past thinking sticks with you no matter how hard you try to shake it. Some of us old codgers," he exaggerates, brushing his fingers through his still black, crew-cut hair, "are having to revise our thinking about air support for ground troops as a result of Viet Nam. We'd gotten used to 'P-51 thinking.' (The stub-winged P-51 Mustang fighter gave close air support to foot soldiers during World War II.) We used to figure our planes had to come in from behind us to strafe the enemy out in front. Now, they come in from the side and directly in front and can pinpoint VC just a few yards away from our lines."

In the broad art of warfare, changes in the operations of ground troops through use of helicopters and light planes have probably been the most valuable training of Viet Nam, military men say. One airmobile division can cover approximately 60,000 square miles of rugged Vietnamese hills and jungles, compared with only about one tenth of that with conventional surface transportation.

The helicopter was not born yesterday, of course. It proved itself in rescuing downed pilots and evacuating injured men in Korea. During the 1950's, military scien-

FREE . . . inside story on the booming Southeast!



Please send me free 32-page color magazine. All about the good life . . . living and working in Georgia, pacesetter of the New South!

Georgia Dept. of Industry & Trade
100 State Capitol Building,
Atlanta, Ga. 30334

NB

Name_____

Address_____

City_____ State_____ Zip_____



YOU CAN COUNT ON A WESTERN GIRL® TO FIT RIGHT IN . . . as if she had been working at that desk every day.

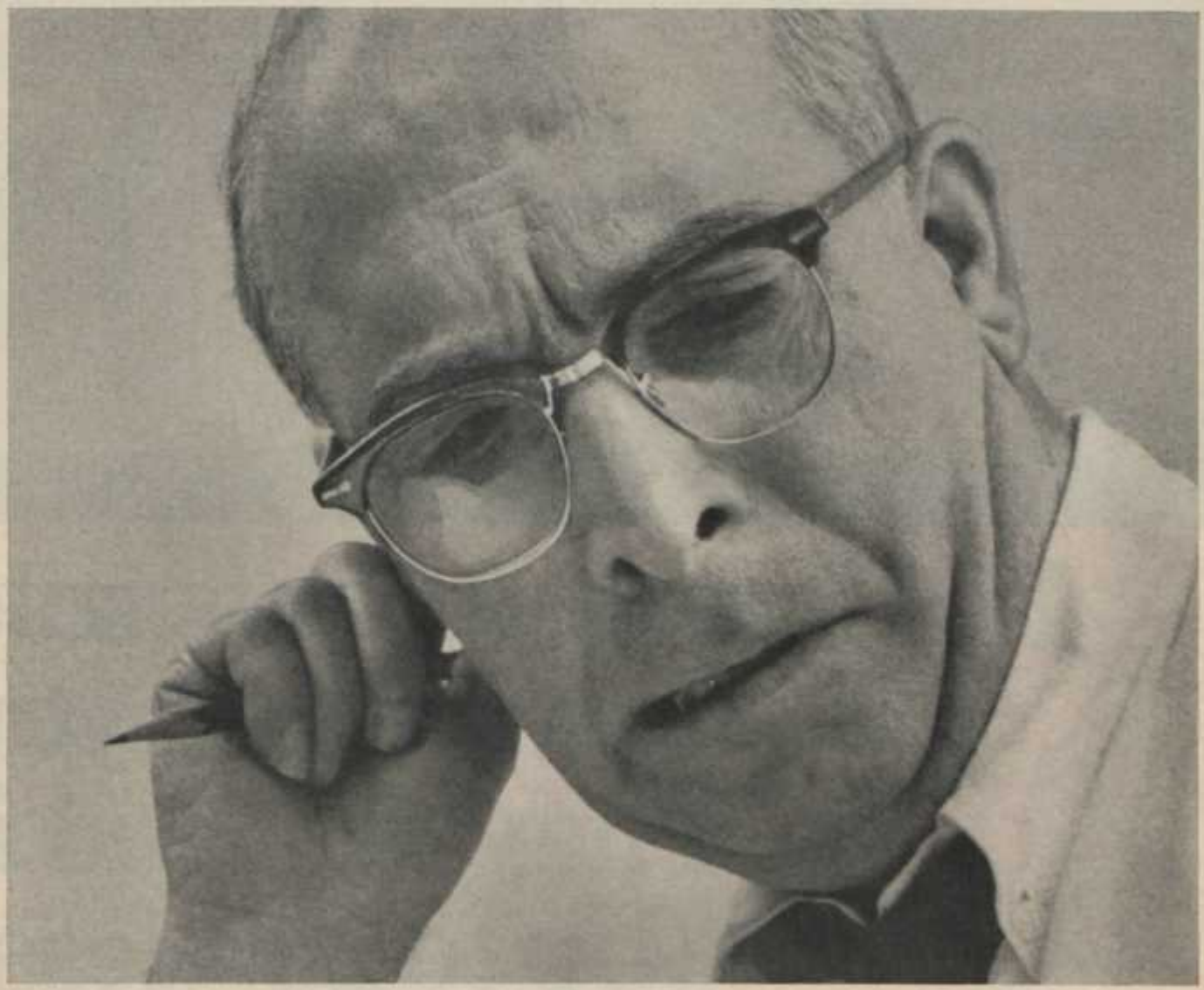
In 100 Cities CALL . . . **Western girl inc.®**

TEMPORARY HELP SERVICE

For information on available FRANCHISES write: 40 Davis Street, San Francisco

© 1965, Western Girl, Inc.

"We've got to do something. 5 cents is 4 cents too much to pay for each extra copy."



Do this: Get the KODAK CAVALCADE Copier and get beautiful, clean copies of any original. You can make 7 copies in a minute. (That's faster than the five-cents-a-copy copier.) And every extra copy after the first costs less than 1¢ each!

The KODAK CAVALCADE is the true desk-top copier. It plugs in anywhere. And it makes lifetime copies of solids, halftones, ballpoint writing—anything.

Convenient buy or rent plan! Now most dealers will install the KODAK CAVALCADE Copier in your office on either basis. Your savings on extra copies should quickly pay the bill. Call your Kodak Copy Products dealer. Or mail this coupon.

Price quoted is manufacturer's suggested price and subject to change without notice.

KODAK CAVALCADE Copier...only $395



EASTMAN KODAK COMPANY
Rochester, N. Y. 14650

☐ Send me your free booklet "Throwing money away on office copying?" ☐ I'd like a FREE demonstration in my own office.

56-6

Name_____ Position_____

Firm_____ Phone_____

Street_____

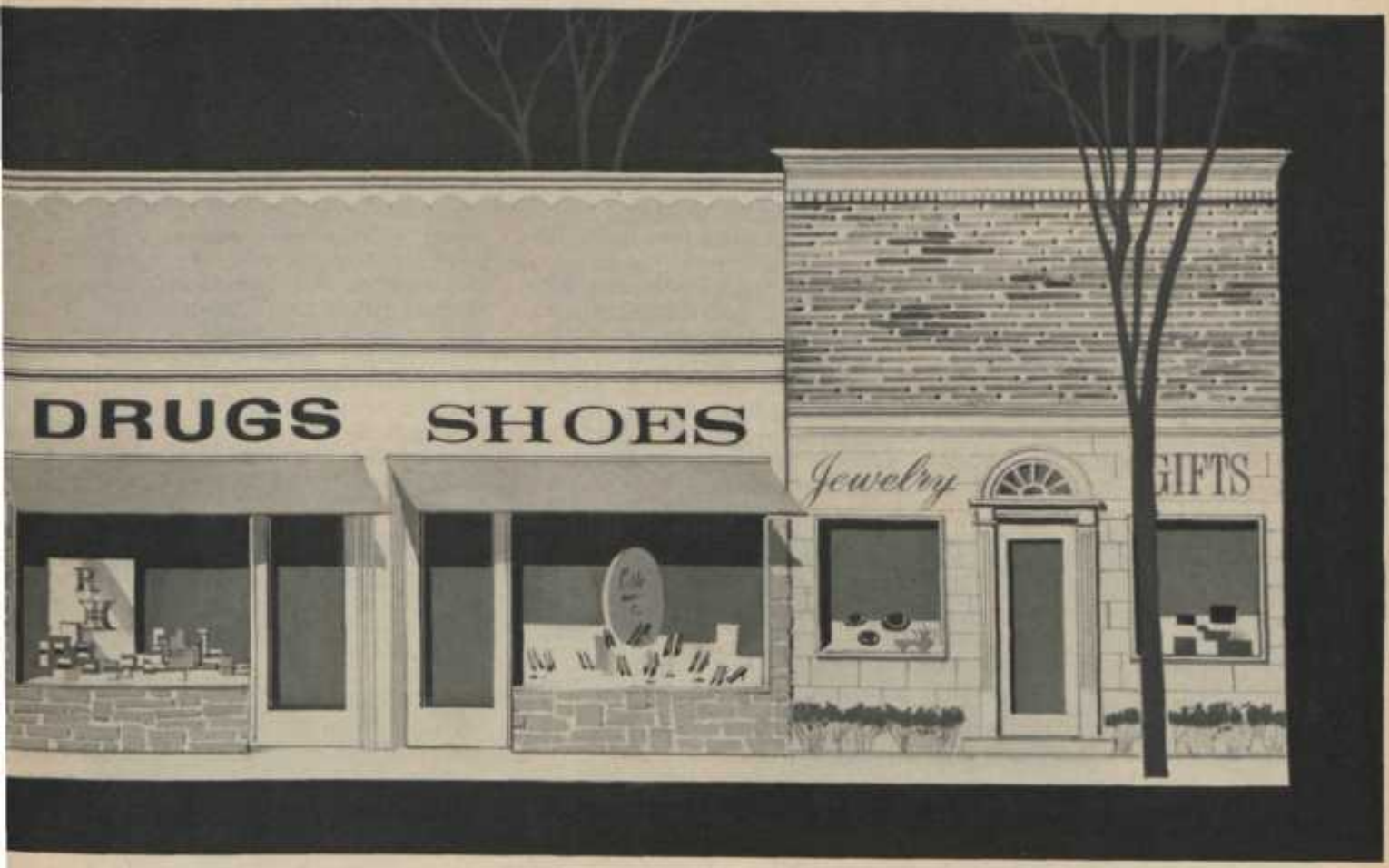
City_____

State_____ Zip Code_____

Kodak
TRADEMARK



If Allstate Agents sold wouldn't you They do. And it (Up to 20% less.)



business insurance, expect it to cost less? does.

Allstate, the company famous for low rates, now offers a Businessowner's "Package" Policy at substantial savings compared to what you might be paying now for similar protection under separate policies from most other companies.

This Allstate policy can give you protection against loss from fire and many other perils, public liability insurance, and coverage for many kinds of criminal acts. Your Allstate Agent can tailor this insurance under one policy to fit your particular operation. He can eliminate dangerous gaps and expensive overlaps often occurring with separate policies.

In the bargain, you get Allstate's prompt, fair claim service . . . from the industry's largest full-time, salaried claims staff.

Get the details about the Allstate Businessowner's "Package" Policy, and find out how much money it may save you.

Contact your local Allstate Agent—at Sears, or an Allstate office. Allstate Insurance Companies, Home Office—Skokie, Illinois.

Savings somewhat less in a very few states. Program not available in Hawaii, Oregon, Texas.

You're in good hands with Allstate®

Founded by Sears

IN VIET NAM

continued

tists came up with the airmobile concept and the idea of arming helicopters. Marines and the Army experimented with the concept and now Viet Nam has proved it out. Over 1,600 copters are now in service in Viet Nam.

Not only are helicopters carrying soldiers, they are being armed with rapid-fire guns and sent out to provide air cover for ground troops. Now the Pentagon is testing out some big, heavily armored helicopters which can spray out bullets, rockets and grenades while hovering over a Viet Cong unit.

"The validity of the vertical assault concept, which was a Marine Corps innovation, has been combat proven without a doubt," testifies Gen. Wallace M. Greene, Jr., Marine commandant.

General Greene, the tough general who told NATION'S BUSINESS readers how patriotism will enable us to win the Viet Nam War ("Why We Will Win in Viet Nam," April), notes that another new concept that has been proved out is the Marine development of expeditionary airfields.

When the Marines hit the beach at Chu Lai last year, they brought Navy Seabees driving bulldozers with them. The men, bulldozers and aluminum matting, tested under combat conditions for the first time, had operational combat missions flying off the field within 24 days.

As a fascinating and not so minor sidelight, Chu Lai is destined to have a long-lasting impact on intelligence collection, too. Not James Bond stuff, necessarily. Rather, better information on the mundane but extremely basic details of soil and terrain. The Chu Lai sand beach, about three fourths the way up the South Vietnamese coast from Saigon, was great to walk on but lacked enough cohesiveness to support heavy vehicles, the Seabees discovered.

"We had inadequate intelligence," a Seabee told NATION'S BUSINESS.

So chalk up another lesson learned.

GI's learn new combat tricks

Once ashore and at their work of destroying communist invaders and insurgents, troops are picking up all sorts of tricks that enable them to better protect themselves and to prepare for similar future fighting elsewhere. Commanders who had thought in European terms of fighting on a front with protected flanks and rear are growing more experienced in operating in positions which may be completely surrounded by the enemy. More operations are being carried out by small units of a dozen men or so, thus greater attention is being given to selection and training of small unit leaders.

Our men now know:

- How to set ambushes. Marine headquarters estimates its men set about 100 ambushes a day.
- How to avoid ambushes. (Research is underway on new aids for detecting ambushes.)
- How to dig Viet Cong soldiers out of their underground warrens. The Army estimates that many were dug as long ago as the 1920's. One method is to have eight-jet B-52's based on Guam drop a load of bombs on the tunneled area. Another is to blow colored smoke into a tunnel entrance, watch where the smoke comes out and then start digging. Probably the newest trick is to pump a recently developed explosive vapor into the tunnel, strike a spark and stand back while the whole works blows up, an Army spokesman told NATION'S BUSINESS.

And, wonder of wonders, they've even discovered how to cut some of the red tape of war. Army squad leaders get pocket cards which tell exactly how to call up supporting mortar fire, a job a squad leader wouldn't ordinarily have enough rank to do. Procedures have also been dramatically streamlined for bringing in planes for support of troops under communist fire. The little observation planes whose pilots sometimes drop hand grenades in self-defense are one part of the team. Air Force men called forward air controllers, who go up front with the dogfaces, are another. As a result, a unit anywhere in the country can get support from planes armed with bullets and rockets within an average of 15 minutes, the Air Force estimates.

Viet Nam is teaching our troops to fight better at night. As an Army antiguerrilla expert explains, "The dark is the guerrilla's friend."

U. S. troops can almost literally switch on the lights and end nighttime darkness. So many flares are being dropped over areas of communist sneak attacks that supplies ran low this spring. Camps of the green-bereted Special Forces troops have devised a so-called fire arrow made of oil cans on a frame that can be lighted and swiveled around in the direction of an attack on their camp. This directs planes where to aim their fire.

The king of the antidarkness brigade is the old C-47—the military version of the DC-3. It can circle over a beleaguered U. S. or South Vietnamese position all night, lighting the area with flares and spraying out ordnance, as the military jargon lumps together bullets, rockets and bombs.

To produce soldiers better able to defend themselves, the Army keeps a steady stream of memos flowing back from Viet Nam. Each memo, which gets wide circulation, concludes with a section called "Lessons Learned."

How to search a village

Most can apply as well to other primitive nations where the U. S. might have to help rout out communist revolutionaries in the future. The following excerpts from a recent memo on searching villages gives the flavor of these lessons:

"Even after repeated searches of villages with troops qualified by experience, the task is often unsuccessful. The most successful means yet discovered has been to occupy the village for 10 days to two weeks, forcing the hidden VC to come above ground from his hideout to seek food and water. . . .

"Utilize villagers to precede the entrance of troops. They will avoid booby traps, punji-traps (poisoned sharp sticks) and VC fields of fire. If villagers flee, it is a good indication of a sizable VC force's presence. . . .

"When searching, especially look at rafters, thatched roofs, rice bags, hay stacks, dung piles, wells. . . .

"Village search techniques differ from city search techniques during clearing operations. There is not protection of cover in grass and adobe structures that is taught in house-to-house fighting. (Example: One marine threw a grenade into a room and stood next to the grass wall waiting for the detonation. He was, of course, wounded by the fragments. . . .)"

The Army and the Marines have both factored Viet Nam into their training. After basic training, new recruits get intensive specialized training through simulated South Viet Nam fighting.

A new marine going through the "sensitivity and suspicion" antiguerrilla course at Camp Lejeune, N. C., searches mock villages complete with straw huts. Veterans of

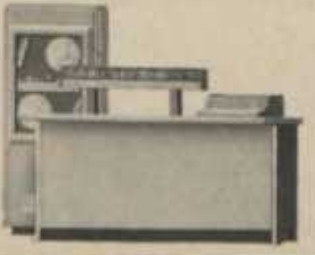
How does the U.S. Army know that Alvin Smith of Council Bluffs, Iowa, is skilled enough for another stripe?

An NCR Computer tells them.

Times have sure changed in "this man's army." No more guesswork about Specialist Smith's ability. Or his performance compared with other radar Specialists. Now the U. S. Army's Enlisted Evaluation Center has an NCR 315 Computer at Fort Benjamin Harrison in Indianapolis to automate "MOS" (Military Occupational Specialty) qualifications. Over a million documents including examination results and performance ratings, are processed yearly. All these data are stored on the NCR 315's unique CRAM (Card Random Access Memory) cards for instantaneous reference. The NCR 315 provides detailed hard copy reports on each man to make sure, whatever his specialty, that his capabilities and performance are known. Evaluations are continually updated as every man's military career develops. This is just another example of how the NCR team goes in and gets the job done.



NCR



THE NATIONAL CASH REGISTER CO. ®

DAYTON, OHIO 45409



Low-priced time clock helps small companies meet strict wage-hour law requirements

Accurate time records and proof of compliance are mandatory for all companies subject to the wage-hour law. More and more companies are finding it pays to avoid wage-hour trouble with clock-stamped payroll time records. A bonus benefit is that resulting employee respect for time discipline shows up in increased production!

Lathem leads the field with a deluxe, fast-operating top-inserting time recorder that provides error-free two-column payroll accounting for straight time and overtime. And Lathem makes time clocks feasible for companies with as few as three employees with low-priced side-printing models which may be used for job time as well as payroll time.

LATHEM TIME RECORDER COMPANY
2127 Marietta Blvd. NW, Atlanta, Ga. 30325
Please send me complete information and prices, also payroll time card samples.

Name_____

Company_____

Address_____

Lathem — TIME RECORDERS, PROGRAM TIMERS, TIME STAMPS, WATCHMAN CLOCKS

IN VIET NAM

continued

Vietnamese fighting dress up like villagers in the garb of various religious sects and imitate Viet Cong attackers. Tunnels re-create VC hiding places.

Marines run similar training setups at Camp Pendleton, Calif., and on Okinawa. The Army does the same at Forts Benning and Gordon, in Georgia, and Fort Polk, in Louisiana.

All services are also learning that in the political climate surrounding Viet Nam and similar wars, a soldier must be more than a soldier. He must give more attention to making friends with the people, in aiding local self-government and in improving local living conditions.

"The environment is different than in other wars," a Marine officer back from Viet Nam reported in Washington.

"We are neither sovereign nor victors. We are guests of the country and must act accordingly."

Salt water Navy buys riverboats

It seems clear that the Viet Nam experience is resulting in new and better equipment which gives servicemen more firepower than ever before.

Consider some of these results:

The Navy, which had not had to fight river battles since the Civil War, has on order a new fleet of fiber-glass patrol boats which can quickly and silently glide over the reed-choked waterways in the Mekong River delta region.

For the first time in history, Adm. David L. McDonald, chief of naval operations, points out, nuclear-powered ships are being used in combat—the carrier *Enterprise* and its escort vessel *Bainbridge*. He adds that the operations also have confirmed the value of the Navy's first one-stop supply ship, which carries a great number of items from fuel to food.

The Air Force is cranking its experience with ground support aircraft into new plane designs. B-52's are being outfitted with new bomb racks to handle bigger loads of nonnuclear bombs. A device has been developed which helicopters can lower on cables to rescue lost or injured men; the device automatically spreads apart the jungle foliage as it unreels. Defoliation agents are getting a thorough test. And a search is on for rotproof sandbag material.

Tactical air controllers are getting new radar beacons. The Air Force is testing a portable ground control radar set which can be carried on back-packs by seven men and set up in wild areas to help guide planes. Marines are already being issued new hand-held pyrotechnic signal devices of great value to small units operating in jungle areas. Another new Marine item is called a seismic intrusion detector; it helps spot tunneling and other infiltration attempts by the Viet Cong.

A new attack on malaria is underway in laboratories as a result of Viet Nam experience. Military medics have also improved their techniques so that less than one man of a hundred wounded dies, compared to 4.5 in World War II.

New grenade launchers have been proved out by the Army. And foot soldiers quickly learned that what they wanted were special nonleather tropical boots with a steel plate in the sole to protect against poisoned stakes.

The Seabees say their experience shows the need for adding big twenty-cubic-foot earthmoving machines to their equipment for building roads through primitive country.

Top-level officials in the Pentagon assert that the Viet Nam fighting has proved beyond a doubt the value of a new, lightweight, high velocity rifle known as the M-16. The Army has recently ordered 100,000 of them and will distribute them to all troops that want them. The Marines' General Greene says it "may be the answer to our small arms problem in Viet Nam." The fighting has also shown the services need a better snipers' rifle.

All this costs enormous amounts of money, of course. A new air-mobile division, for example, costs $300 million to equip, compared with $95 million for a conventional division.

And this dramatizes what may really be the most important lesson of all. It's a lesson that's centuries old but so often forgotten that it sometimes seems new.

A nation's economy must remain strong enough to pay for its defenses.

America's is today. But only time will tell if its leaders will remember this lesson of many another war and apply it during the Viet Nam conflict through policies which allow business and the economy to grow without inflation, thus providing jobs, continued prosperity and the strength undergirding our world-wide defenses. **END**

Stamp out stamps

Or you'll have stamp trouble.

Stamp trouble is when you buy the amount of stamps you think you need and it turns out you need more. Or it turns out you have oddball stamps left over so you put two fives on an 8 cent letter.

You don't have to have stamp trouble. You can print your own postage with a little Pitney-Bowes postage meter.

Here's how: You set the lever for the amount of postage you want. Then you put the envelope into the slot. You turn the handle. You get a stamped, sealed ready-to-mail envelope. (Incidentally, all this happens faster than it takes to tell you about it.)

That's how postage comes out of a postage meter. Postage goes in a postage meter when you take the detachable meter to the post office. They'll set the register for the amount of postage you want to buy.

A postage meter won't let you run out of postage because the register on top tells how much you have left.

Postage meters put a cancelled and dated postmark on every envelope. This means that post offices can handle metered mail faster than the other kind. So metered mail often goes faster at that end too.

Besides, think of your tongue.



Postage Meters, Addressor-Printers, Folders, Inserters, Counters & Imprinters, Scales, Mail-openers. For information, write Pitney-Bowes, Inc., 1399 Pacific St., Stamford, Conn. 06904.














Greatest aggregation anywhere of features designed to reduce the costs of repairs and downtime.

Bold step toward lower linehaul costs! New Diesel tractors by Ford.

When Ford engineers set out to design a linehaul tractor they established a single goal: to examine every cost factor in truck operation . . . and to reduce that cost.

They began from scratch. Component by component. Wherever structural strength could be increased, it was increased. Wherever a part could be made more reliable, it was made more reliable. And everywhere, good service accessibility was made a prime design objective.

Nor was that all. To provide the most economical power for all kinds of hauling, Ford included a choice of twenty Diesel engines—Caterpillar, Cummins, Detroit—in over 1250 power-train combinations.

The result of all these efforts is Ford's completely new W-Series tractor, advance-engineered in every detail of its rugged construction. To you, Ford's big W means major savings in repair and downtime costs . . . and an earning potential to challenge any other linehaul tractor you can buy.



Here are just a few features: cab can be tilted without uncoupling intake and exhaust stacks. Both 52" standard cab and 82" sleeper tilt 55° for routine service, 80° for major work. Drop-front frame design puts engine low for easy service. Under-floor air tanks are easy to reach and drain. In-cab console houses switch and fuse wiring. Wiring and tubing are routed away from high-corrosion areas. Heavy 16-gauge wiring—almost 60% stronger—instead of 18-gauge. Hinged instrument panel gives easy access to gauges and wiring. Color coding speeds circuit-tracing. All-welded cab has internal box-section frame.

Ford

FORD
HEAVY DUTY
TRUCKS



LESSONS OF LEADERSHIP: PART XIII

ENVISIONING THE FUTURE

A conversation with Gen. David Sarnoff, Board Chairman, Radio Corp. of America

With a twinkle in his eye, David Sarnoff tells you he's learning to swim. You are not surprised he has just now found the time, and you haven't the slightest doubt he will pick it up like a schoolboy.

For this is the man who lifted himself from poverty to build Radio Corp. of America into an electronics and communications giant. He envisioned and developed home radio, foresaw black and white television back in 1923, fathered it and its brightly colored offspring and helped to guide them to their present maturity. A biographer writes of General Sarnoff: "He has probably affected the patterns of the daily lives of more Americans than anyone since Thomas Edison."

General Sarnoff is much more than a successful industrialist. He is a man totally dedicated to his country. He is an intensely proud man, a devoted fighter of communism, a man who sees better world communications as one of the best hopes for peace.

At 75, David Sarnoff is about to celebrate his sixtieth anniversary in communications. He retired as chief executive officer of RCA the first of this year but continues to serve actively as chairman of the board.

In the following interview, General Sarnoff tells NATION'S BUSINESS what principles have guided him, how leadership can be cultivated and how he transformed a corporation with annual sales of $1 million into one that does more than $2 billion worth of business a year.

General, when you were quite a young man you wanted to go into newspapering. How did you happen to go into wireless communications instead?

I went to the Herald Building on Herald Square. I was then a newsboy. When I walked in I had no idea where to apply for a job. There was a series of little cubicles. I asked a man behind the first one where I could apply for a job on *The Herald*. He said, "I don't know where you can apply for a job on the newspaper, but we need a messenger boy here." That happened to be the Commercial Cable Co. office in the Herald Building.

He said, "We pay $5 a week and 10 cents an hour overtime, and you can have all the overtime you want." I heard the clicking of the telegraph instrument which, up to that

How Xerox made sure Herb and Alice didn't get stuck with five punch bowls on their wedding day.



Six months before Alice got married she visited The J. L. Hudson Company, a department store in Detroit. She wrote down all the things she wanted for wedding gifts.

Later, when Alice's friends visited the store they each received a xerocopy of the list with a mark next to the gifts that had already been purchased.

Alice thinks the system works great. She got everything she wanted, including one punch bowl.

Alice has a lot of people to thank for her wedding gifts, including an enterprising store manager and a Xerox Copy Consultant.

Xerox Copy Consultants find better ways to do all kinds of jobs. Hospitals make xerocopies of newborn babies' footprints for identification. The police make xerocopies of composite drawings that help identify crooks. And a Chinese restaurant in Salem, Oregon, has a Xerox machine to copy the daily menu.

Think about it. If a Xerox Copy Consultant can make a bride happy, help bring babies into the world, identify crooks, make it easy to order a Chinese meal, there must be *something* he can do for you.

XEROX

XEROX CORPORATION, ROCHESTER, NEW YORK 14603, BRANCH OFFICES IN PRINCIPAL U.S. CITIES.
DISTRIBUTED IN ASSOCIATION WITH RANK ORGANISATION LTD. RANK XEROX LTD., LONDON. FUJI XEROX CO., TOKYO. XEROX IS A TRADEMARK OF XEROX CORPORATION.



time, I knew nothing about. I was then about 15 years old, and I said, "Okay," and took the job and became a messenger boy.

I bought a telegraph instrument and began to learn the Morse code. I had opportunities to practice when the wires weren't busy, and in due course I learned to telegraph, first as an amateur. Later I became more proficient.

I then went from Commercial Cable to the Marconi Wireless Telegraph Co. of America, with a munificent increase of 10 per cent, $5.50 a week, except the overtime was gone, so I was making less money.

That was the beginning of my contact with communications.

I was asked recently what I thought was the greatest miracle over the 60 years I have been in this business of communications, and I replied I thought it was my ability to hang on the payroll for that long without getting fired.

What effect did the tragic sinking of the Titanic and your relaying of that information to a waiting nation have on wireless?

It had a great impact.

As a result of that disaster, there were hearings in Washington and the result of those hearings was enactment of the Radio Act of 1912.

Prior to that time, the use of wireless on shipboard was voluntary; and shipowners, particularly those who weren't too prosperous, were loath to spend the money for the installation.

Generally speaking, those that carried a wireless had only one operator. And the majority of freighters had no operator and no wireless.

The Radio Act of 1912—following the *Titanic* disaster where a neighboring ship could have saved the passengers but the wireless operator had gone to bed because he couldn't stay on duty 24 hours—provided that all vessels carrying 50 or more persons must have a wireless installation on board, an emergency source of power and a continuous watch, 24 hours.

Now that is the thing that gave the wireless, as it was then called, the real send-off; although that was before broadcasting, the marine radio became a business then.

Your vision, General, your ability to focus on the future is legend. Can such vision be learned or is this something you are born with?

I don't plead guilty to having any supernatural vision. I think the answer to your question lies in the amount of effort a person is willing to give to dig down for facts and to try to stretch his imagination. You know, our brain needs exercise as well as our muscles.

A great many people don't go beyond today. If things are going along all right today, they are not thinking about five years from now or 10 years from now or 20 years from now.

Perhaps in some cases it's well they don't, but in the majority of cases those who are inclined to be analytical, to dig for facts, to study in depth rather than just on the surface, develop a sense of looking forward.

I never was satisfied with a problem that I understood only partly. I wanted to understand it as completely as I could.

Also, I think you must be willing and able to listen as well as to hold forth, and to select people for whose judgment you have respect and from whom you can learn.

There was always in my youth, in particular, an avid desire to learn, to acquire information. The people I was fortunate to get to know and to associate with—men like Professor Michael Pupin, Howard Armstrong, Lee De Forest and especially Marconi and the people around him—they were people who had imagination as well as knowledge.

I spent most of my time with that type of people, and in talking with them and listening to them my own imagination was stimulated and stretched.

So, for example, when we were starting communications with long waves, big, powerful stations, Marconi was talking about short waves. When Marconi and I would discuss the possibilities of short waves, those who thought only of the moment and who did not bother to stretch their imagination weren't interested; they were interested only in long waves. I was interested in both, and therefore, looking ahead—perhaps a few years ahead—of the procession.

You must also be willing to stick your neck out and say, "This is what I see and this is what I believe in and this is what will come to pass."

So, I would say that this legend that has grown around my so-called vision is nothing extraordinary, nothing phenomenal. It's hard work.

What are the most important ingredients of leadership?

Well, I think the first and foremost ingredient of leadership is to have confidence in yourself, because if you lack confidence in yourself, you won't have confidence in other people either.

Now, having confidence in yourself must stop short of arrogance. You must not be so confident that you believe yours is the only view.

On the other hand, you must have enough confidence in yourself, after you have formulated an idea or an opinion and have subjected it to criticism and scrutiny and gotten a hundred reasons why it can't be done, to make the decision and to proceed on the basis of what you really believe in. That is leadership.

But, the lack of it is where a fellow might have wonderful ideas but after he puts them through the wringer he gets confused and is reluctant to go forward in light of the objections and the risks and the uncertainties. That's the difference between leadership and lack of it.

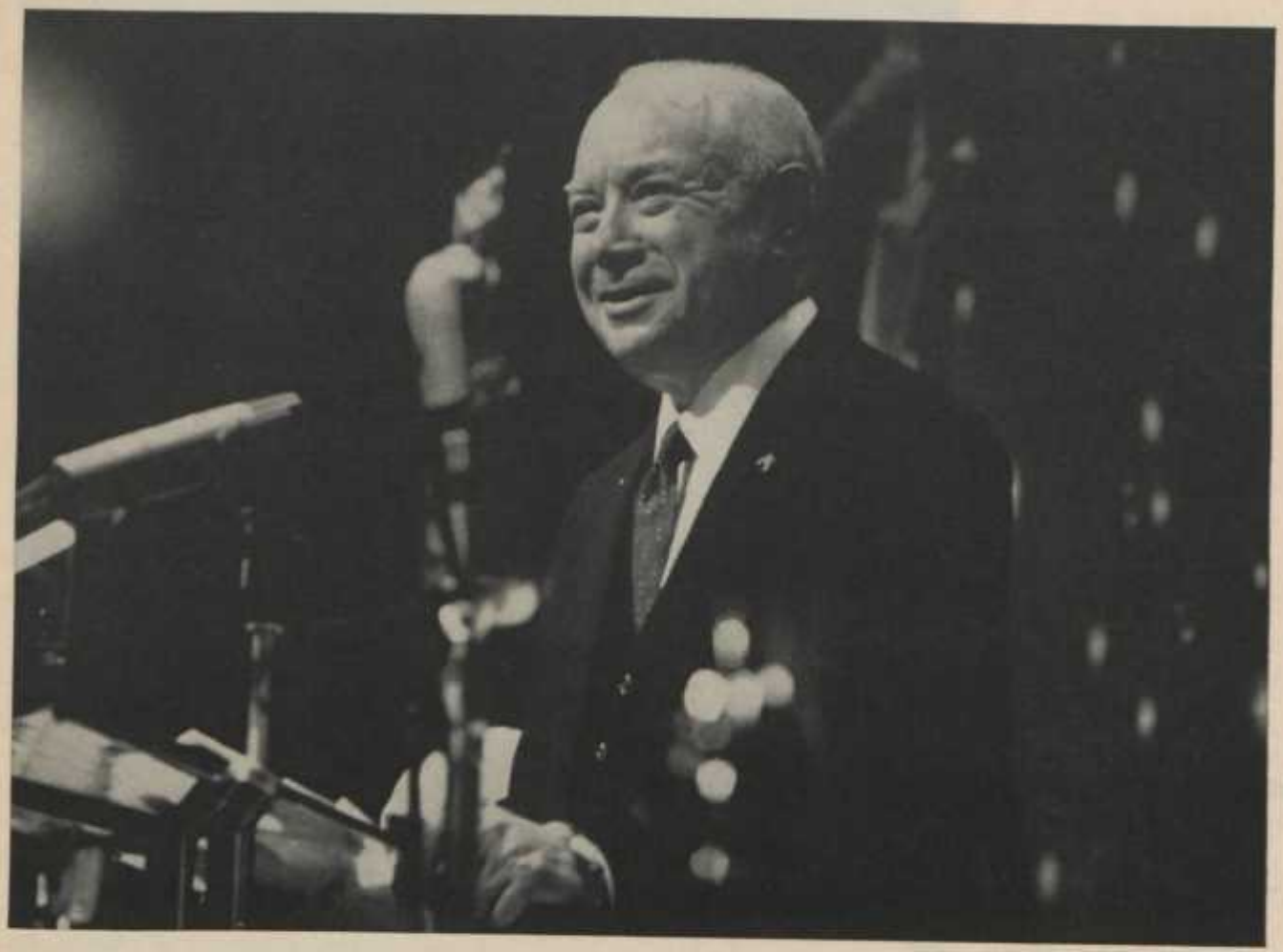
General, when you became president of RCA in 1930 the worst effects of the depression were beginning to be felt. How did you pull RCA out of it?

To begin with, I was not the only one faced with the circumstances that then prevailed. However, I was faced with a combination of circumstances that were perhaps unique, because in the depth of the world's depression along came a government suit trying to separate us from our parents, General Electric and Westinghouse, when we needed them most.

First, again, came the question of faith. The fact that there was a world depression did not shake my faith in the ultimate future of radio and broadcasting and all the things that already existed in 1930 and that were beckoning. We already had a broadcasting system. I already believed in television.

I foresaw the growing development of communications, both mass communications and individual communications. I had no doubts whatever about the ultimate usefulness of these new devices and of the new services that these devices made possible. So the question was how to tide over that period.

We cut costs, we cut salaries, we cut everything but research while the storm was going on. I think



Leadership, to General Sarnoff, is a willingness to stick your neck out and say: "This is what I see, this is what I believe in and this is what will come to pass." However, "you must not be so confident that you believe yours is the only view."

that the greatest progress is often made in adversity and the greatest inefficiencies often develop in prosperity.

Finally, it took hard work; no such thing as eight hours or 18 hours. It was a complete dedication to the job and out of it came the final results.

I think it was Napoleon who said that the greatest battles are won in retreat. It's not always true, but I was handed a lemon in 1930. General Electric and Westinghouse were ordered out, there was a world depression, the stock market had fallen apart and so on. I would call that a lemon.

Now, if you are handed a lemon, the question is: What are you going to do? Are you going to suck on it and get sour, or are you going to try to make lemonade out of it? I tried to make lemonade out of that lemon and found it very palatable.

How do you get the most out of your people?

The first way, I think, is by example. If you have a lazy boss who spends most of his time playing golf or loafing in clubs or takes three hours for lunch or that kind of thing, it radiates down the line. The same thing is true if you have a fellow who's working every day and is in the office on time, and he leaves later than any of the rest of them and doesn't mind coming down on Saturdays and Sundays.

Second, by prodding the entire organization, including yourself, towards excellence—no sloppy work. A fellow who writes me a sloppy letter in this organization will get it back with a few unkind words like, "I don't know what you are talking about."

But nobody can be successful in an organization if he doesn't really love his work, love his job. If work is a bore or a chore, it doesn't make any difference what the boss does.

It's like the story they tell about Toscanini, who used to be a great taskmaster over his orchestra.

One of the violinists wasn't giving him satisfaction.

He wasn't doing his work in the way the Maestro wanted it done, so finally Toscanini got awfully angry and said, "What's the matter with you? You have played this part for so many years and your heart isn't in it. You are just moving your bow on the fiddle, but your heart isn't in it. What's the trouble?"

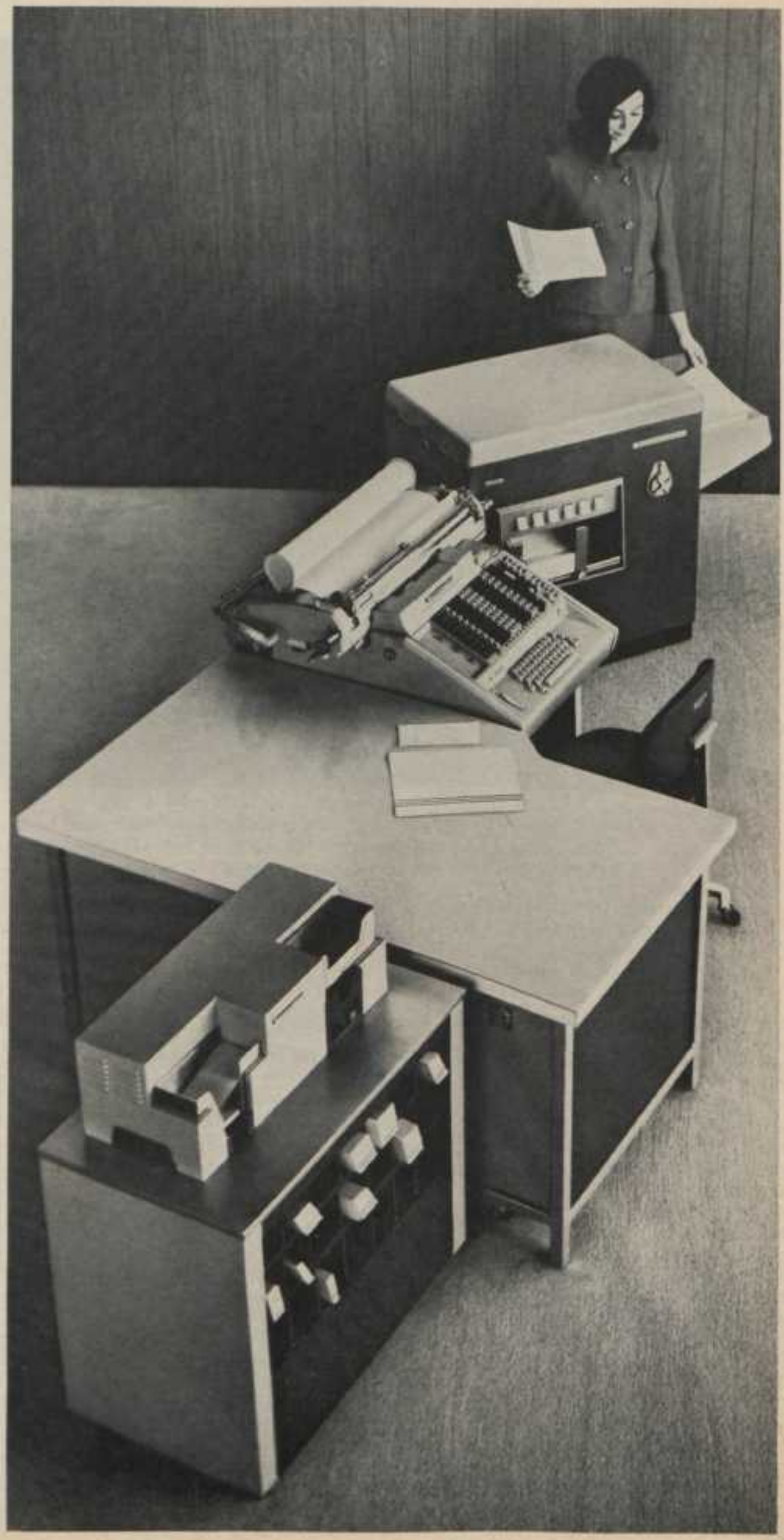
And this fellow said:

"Maestro, I just don't like music."

If a fellow who is an engineer

Solid state circuitry, core memory, internal programing, punched card & magnetic striped ledger input and output.

Now that's what we call an electronic accounting system!



The New Burroughs E4000 Electronic Accounting System. Just out!

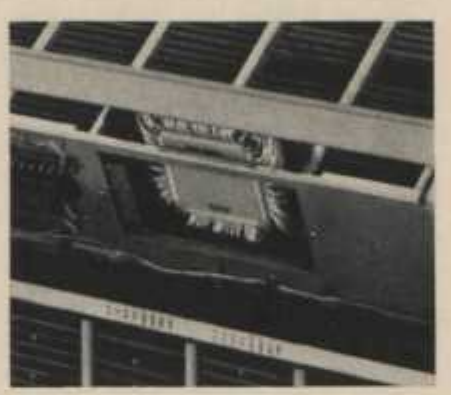
Here's a new family of systems that puts electronic data processing within the reach of many businesses that couldn't touch it until now.

The E4000 Systems introduce a new level of PRODUCTIVE POWER . . . power to process your accounting, generate vital statistical and analysis reports, and initiate other action information.

You'd find it exciting to watch the maximum system in action. You'd see the punched card reader reading in the program and variable data. You'd see the automatic ledger reader reading in accrued information. The magnetic ledger console would



punched card reader



core memory

be reading in year-to-date data. The processor would be applying the combined Internal and External Program; computing and processing all the data; and making automatic decisions . . . *all at millisecond speed*. The console printer would be printing out a report or updating a ledger, statement and journal. And the punched tape or card unit would be automatically capturing selected data.

You'd be impressed!

Of course, you don't have to have the full system. You can buy or lease just a basic system: the control console and the solid state processor. E4000 Systems, with built-in modularity, let you add peripherals, such as the punched card reader or ledger reader, by simply plugging them into the processor outlets. You can add Productive Power without aggravation or undue cost.

So you see, by designing these new systems with a wide choice of capabilities, we have an E4000 for every size of business. Small ones. Big ones. And all those in between.

We'd like to talk to *you!*

We'd like to show you that, dollar for dollar, feature for feature, result for result, the new Burroughs E4000 Electronic Accounting Systems deliver more Productive Power than anything else on the market.



automatic ledger reader

Call our local office or write Burroughs Corporation, Detroit, Michigan 48232.

Burroughs Corporation

would rather be a salesman or the sales fellow would rather be an operator, I think you have got to put them in the right place.

Have you found times when you have had more confidence in your people than they, perhaps, have had in themselves and that this has brought some fine efforts from them?

I have—particularly in the research and engineering fields when I asked for something to be done and they didn't see how it could be done.

What has given you the most satisfaction in your business career?

I would say the growth and success of RCA, to which I have devoted practically all of my years of effort, now 60 years.

RCA's predecessor—which I was with first—was the Marconi Co. This was in 1906.

We had only four ships, four coastal stations and a little office down on William Street in New York.

Well, in 1920, the first year of RCA, we did a business of about a million dollars, had 500 employees and, of course, no profit. Last year, this same organization did over $2 billion of business, had approximately 100,000 employees, had a profit after taxes of over $100 million and engaged in everything from a needle to an anchor, electronic-wise. We render services that enter into practically every home. This is an industry which is also an art. You have contacts not only with business, but with government, culture, education, news, in fact everything that touches our life.

To be able to experience all this within one's own lifetime is a greater reward, I think, than anyone has the right to expect.

On the other side, what has been your biggest disappointment?

My biggest disappointment has been that I had always assumed, and was always inspired by the thought, that in the advance of communications there existed a greater measure of happiness for people and that it would be a great contributor to peace.

I still believe that, basically, will be the ultimate result of the progress of communications.

But I have seen the great medium of broadcasting, whose real function is to inform and educate and entertain, perverted by a man like Hitler who might not even have risen to power had it not been for the flexibility and readiness of the communication services that he employed.

That's the other side of the coin. That has been my chief disappointment.

You have always been a prolific writer of memoranda. Do you encourage your people to write memos?

Well, I don't necessarily encourage them to write memos or encourage myself to write memos, but I do believe that the mere exercise of putting your ideas down in writing is a desirable and often revealing experience.

Some fellows can talk attractively and impressively, but when it comes to putting it down in black and white, some of that substance somehow disappears.

So I say to my people, "You want to write a report? You can write it as long as you want, but its substance must be summarized on one page."

The effort to summarize on one page often convinces the writer that he hasn't got anything to summarize.

Now, I have imposed this on myself and others. I don't say you have to write the whole thing on a page.

But if you can't summarize the idea, the thought, the recommendation, that means you have done a lot of talking rather than a lot of thinking.

Do you encourage your people, should they get an offer or opportunity for government service, to take it and then come back to RCA?

There is no formula for that.

We certainly have encouraged a number of people by recommending them to government when the government was looking. I have done government service myself. We have close relationships with the working sections of government related to our business—electronics, communications and so on. And we have supplied many people, often at considerable sacrifice, to NASA, to the Signal Corps, to the Navy.

Our policy is to cooperate with the government and to help strengthen the national security, and we happen to be in a business that is closely related to it. We certainly don't discourage people who want to join the government.

What do you feel is the businessman's role in govenment?

The businessman has an opportunity to bring into government some of the things that he has learned in the business world that may have application to the operations of a government. In other words, ideas to increase efficiency and decrease costs. But in addition to teaching the government, he has to learn something, too. There is much to learn on the other side.

How do you relax? Do you swim?

Well, that's a late development. I never learned to swim because I never really had youth in the sense that the average boy has it. I have always deplored that fact and felt kind of silly when I went to a club or beach with my children and grandchildren and they could swim and the old man couldn't. So during the last year I have built a swimming pool in my house. It's a year-round affair, and at this stage, a little late in life, I decided to learn swimming. My teacher is Florence Chadwick, the English Channel swimmer. So I am taking lessons and while I am still not a good swimmer, I don't think I would drown. I can at least float on my back, and I am having a lot of fun.

What is the lapel pin you wear?

It's a combination of three awards from the government. The top one is called the Medal for Merit, which President Truman gave me. The one in the middle represents the Army's Exceptional Civilian Service Award, and the one underneath is the Legion of Merit. All three are connected with my war services.

Is there any one honor you cherish more than the others?

Yes, being a citizen of the United States. That, I think, is the greatest honor.

Can a success story such as yours be repeated?

It can not only be repeated, it can be excelled. But I don't think there is a formula for success, however glib it may sound or however well it may read, because there are so many things relating to success over which one has no control.

For example, you have nothing to say about who your parents are, and they certainly have an influence on your life. You have nothing to say about where you are going to be born.

Suppose my parents had not mi-



IN THE BOOMING WEST

Union Pacific has a green thumb for helping new plant sites grow.

This year and next, an estimated 500 new industries will locate in the Union Pacific West — the booming West. Many will be there because of Union Pacific assistance. A unique Industrial Development Department is prepared to research markets, analyze traffic — to locate, plan, even *develop* plant sites in either self-contained Industrial Parks or in exclusive larger trackside property.

Representatives of industries large and small — from all parts of America — are invited to investigate the opportunity and resources available: land, water, raw materials, and an eager labor force. It's a good deal.

Ask about it in complete confidence. Write to Mr. E. H. Bailey, President, Union Pacific, Omaha, Nebr. 68102.

And whenever you ship or travel to, from, or within the West — take the inside track. Call Union Pacific.

UNION PACIFIC RAILROAD

GATEWAY TO AND FROM THE BOOMING WEST

LESSONS OF LEADERSHIP *continued*

grated from where I was born in Russia to the United States. I would possibly today have been a victim in a concentration camp or been sent to Siberia. Or I might even have been a commissar. But certainly I give the greatest measure of credit for such success as I may have achieved to the opportunity this country provided—greater than any other country in the world, in my judgment, and I have been around a good deal.

A man can achieve success here regardless of his beginnings or his background or his race or religion.

The freedom to express whatever forces you may be endowed with or are able to develop is the most precious thing an individual can have. It is worth fighting for and dying for.

Is it true that your career came perilously close to ending almost before it got started?

Yes, the Vaniman dirigible might have ended my career suddenly back in the early 1900's.

I was to be the wireless operator on the Vaniman but due to transportation difficulties one day, I didn't get there. They went up without me and the Vaniman blew up over Atlantic City, killing everybody on board. Under those circumstances, the question of whether the pay was $5 or $5.50, with or without overtime, would have been solved promptly.

Did you ever doubt that you would win your fight for fully compatible color TV—one set able to receive both color and black and white programs?

Never. The day that the Federal Communications Commission decided against us in favor of the incompatible system, I said: "We have lost the battle but we will win the war." And we did.

This battle was won by performance. In the final analysis, you can't deny technical facts if you can prove them.

How rapid is the growth of color TV going to be?

It's rapid enough right now. It's so rapid that there is a shortage of merchandise. We can't supply the demand. I think it will continue until every home that has television will have a color set of one kind or another.

People will not want just black and white any more than they just want one eye. You can see with one eye but you can see better with two. If you have a set that can give you two things, black and white and color, you are not apt to be excited about one that can only give you black and white.

Before the first radio set was marketed, you predicted an initial three-year sales figure of $75 million that came remarkably close to the $83 million RCA actually achieved. How did you do it? You didn't have anything like marketing research then, did you?

No. I just figured there were so many families in the United States and that the price ought to be around $75 a set. The timetable was related to programs. I thought it would take at least three years for there to be enough programs to justify people buying the set. But those estimates were not based on research; they were based on a hunch. Even though we live in a world where hunches are not the thing to depend on for our plans and programs, I do not exclude the possible value of hunches.

Would you explain that?

Yes. A hunch can be a primitive reaction from a person who has no education and knowledge, no information and no experience. That's not the kind of hunch I am thinking about.

The hunch that means more to me is the accumulation of knowledge, the accumulation of experience, a sense of feel that somehow gets stowed away in your memory. You fill the human brain with facts and information and then you call on it and out comes an idea, or a thought, or a resolution, or a program or a diagram. It's based on all this that you have accumulated, and you call it a hunch. That's the kind of hunch some people have and some haven't.

What is in the future for communications?

I think there is much more ahead than there is behind.

The big development ahead is satellite communication and broadcasting from satellites directly to the home. This is going to take some time, but ultimately it will be possible. And communications will develop to the point where you will be able to talk to and see anybody anywhere at any time by having an individual transmitting-receiving instrument linked to a communications satellite.

The home will become a communications center so that you can, from there, hook into computer stations, order things for the family and at the same time become joined to a global network.

There will be such developments in the electronics field as miniaturization.

Almost everything that has been electrified will become electronic, so there is plenty ahead. You have new products and new services beckoning and you have all of space to explore. So there is plenty to do and plenty of opportunity for the rising generation.

If you were 60 years younger and looking for a job, where do you think you would look?

I think I would like to come to RCA. **END**

REPRINTS *of "Lessons of Leadership: Part XIII—Envisioning the Future" may be obtained for 30 cents a copy, $14 per 100 or $120 per 1,000 postpaid from Nation's Business, 1615 H St. N.W., Washington, D.C. 20006. Please enclose remittance with order.*

KEEP THE GO-GETTERS *continued from page 47*

immediate clues as to what is the acceptable work pace.

They also learn that real responsibility is slow to obtain. With months or years of structured learning experiences, they learn that there are prerequisites to responsibility. Wouldn't it be better to let them learn immediately about the meaning of real responsibility?

And what does the business learn about the new young man it has hired? Following are about all the data we get as a result of many of our training methods.

- "He seemed to ask intelligent questions."
- "He was present and stayed awake every day."
- "He wore a clean shirt and a newly pressed tie every day."
- "He learned the material."

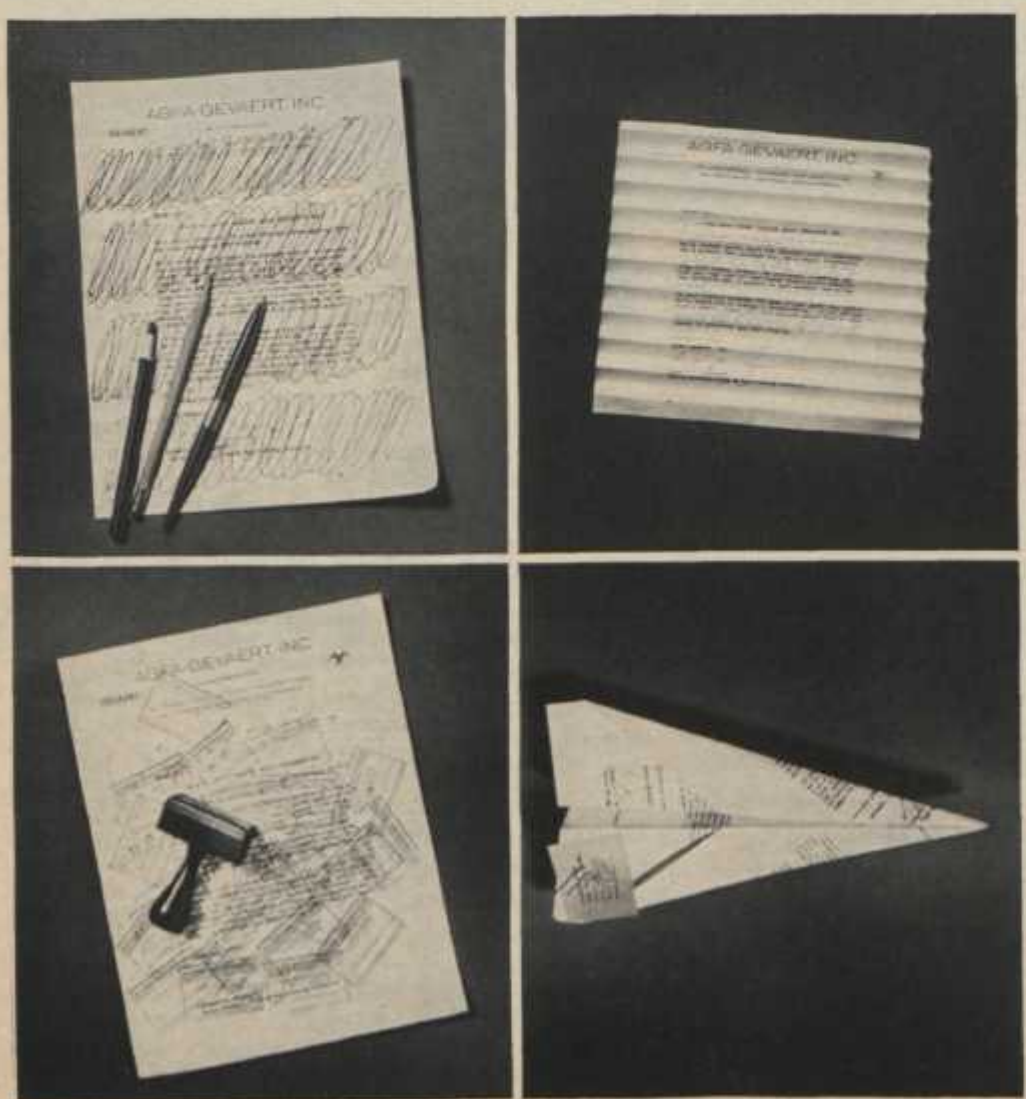
This data might be interesting, but it gives us shaky ground on which to launch a new career.

The $64 question

The only answer we should be seeking is the one we were unable to give when we hired him, that

Put our new paper in your old wet copy machine and see how it comes out.

Dry.



Dry enough to write on.
Dry enough to fold.
Dry enough to rubber stamp.
Dry enough to distribute immediately.
Dry...
We call it Copyrapid Dry paper.
It works on any wet copying machine.

Ask your dealer for Copyrapid Dry Photocopy Supplies by Agfa-Gevaert. Or write for descriptive literature.

Copyrapid® Dry Paper
A Major Breakthrough in Dry Copying by Agfa-Gevaert

GEVAERT®
AGFA-GEVAERT

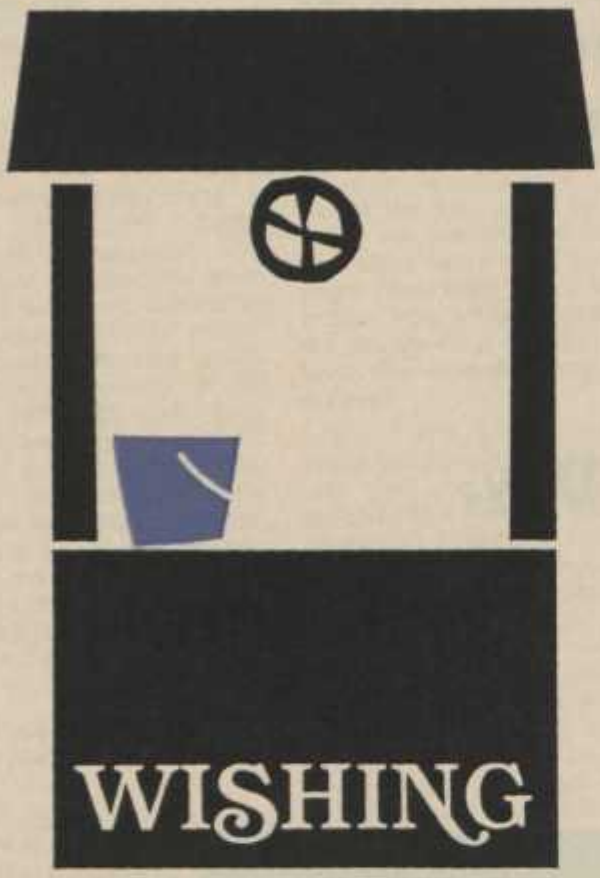
Agfa-Gevaert, Inc. NB-8
273 North Street
Teterboro, N. J. 07608

I want to know more about making dry copies on a wet copier with Copyrapid Dry paper.

☐ Please arrange a demonstration in my office, at no obligation.

☐ Please send me your free illustrated book.

Name_____
Firm_____
Address_____
City_____ State_____
Zip_____ Phone_____
My dealer's name_____
His Address_____



WON'T MAKE IT SO

Wishful thinking is neither an ingredient for business success nor for professional advancement. But hard work is. So are sound planning, technical knowledge and skillful management. All are found in the formula for fame and fortune—or at least for a successful career.

Your trade or professional association can help supply these ingredients. It can assist you to plan ahead, to sharpen your management techniques, and to garner the latest technical knowledge. Association membership is one of the most forward looking steps you can take.

Join and participate in the association in your field! You can't afford not to.

POINTERS FOR PROGRESS

through trade and professional associations

is, "Can he manage?" or "Can he do specialist's work?" I think I can spell my philosophy out like this: I believe we want to utilize human talents fully—instead of teaching "acceptable" behavior which perpetuates the currently acceptable management approach.

When young men come to us from college campuses, they arrive with varying degrees of managerial or specialist abilities. And, obviously, some can learn more rapidly than others. This being the case then, it becomes important that their first assignment in the company allow for these differences.

From both an economic and human point of view, it is wasteful if we do not immediately utilize these talents and try to get the most from those with great amounts of ability, as well as from those with less ability.

A good program not only requires this flexibility of the boss, but compels young men to perform on their management or specialist jobs so that the boss can adjust the man's program (in terms of forcing new and faster learning and increased responsibility) to constantly challenge his ability and stimulate his interest.

If we identify and promote capable young men early in their careers, and separate those who, we believe, would have trouble in middle management, the entire organization becomes aware that talent and ability are being rewarded instead of mere longevity. This helps raise the work standards of all managers, but it also feeds back to college campuses the fact that business can challenge and excite young men. This message attracts confident young men who want a chance to show what they can do. Some still will not want to risk this much and will avoid the opportunity.

How to develop managers

There are many managerial development theories around today. Some seem sound. Some appear to me to be mere gimmicks. However, the best thinkers in this area appear to agree on several fundamentals, which include these points:

- Management is learned and it can only be learned from "live" managerial experiences, not from text books or training sessions.
- Managerial development can't be left to chance—experience must be planned. Men report with wide dif-

Make every business call



a driving success

It's easy. Add new '66 Dodge Coronet to your contact team. Which of the 12 new models you choose really doesn't matter. All are cast from the same exciting styling mold. All are designed to reflect your own good taste and common sense. Take Coronet 500, for example. One of the handsomest Dodges ever built. But practical. Coronet 500's comfortable, foam-padded bucket seats . . . spirited, regular-gas V8 . . . generous, stretch-out room and big-car ride pamper your men with a purpose. No matter how far they drive, they arrive fresh and ready to go to work. And no more parking in secretive places. Coronet 500's bold styling says "executive parking lot" all the way. And the same holds for all the new '66 Coronet models: the Coronet 440, the Coronet Deluxe, and the superfrugal Coronet standard. Which you choose depends on your own needs and taste. But all, we assure you, cost less to own or lease than you might imagine. Sample one on your own private proving grounds. '66 Dodge Coronet—a beautiful assignment any salesman will find a pleasure to handle. See your nearby Dodge dealer and he'll prove it.

'66 Dodge Coronet

DODGE DIVISION CHRYSLER MOTORS CORPORATION

KEEP GO-GETTERS

continued

ferences in abilities. But usually they are all handled exactly alike.

It's interesting to note that almost always men with graduate degrees are handled no differently than men with bachelor degrees. It would seem reasonable to expect more from older men, generally two or three years more mature, who are paid anywhere from $100 to $300 more a month.

Someday top management is surely going to question if this is the best way to handle our investment. There appear to be only two choices. Either expect more from men with graduate degrees (and show it by giving greater initial responsibility) or stop recruiting at that level.

However, if we are really concerned about human utilization, I would submit that there are wide differences even within a bachelor degree population. Hence, a need for planning experiences tailored to individual growth rates.

▸ Development is pretty much an individual affair—the organization can only provide the goal and the opportunity. The individual must develop himself. A man has to take charge of his own development if he wants to grow. The organization can do nothing to make him grow; only if he wants to, and his strengths and limitations permit, can he grow.

Many management development programs miss this point. They assume that certain prearranged experiences, certain exposures to certain people, or reading of certain books or attendance at certain classes are enough to produce growth.

▸ There is no one right way to manage—there are many.

What is best for one person may be completely wrong for another. What is best for one organization at one moment in time may be wrong later on.

The "right" way to manage?

There is a tendency for older bosses to insist that young men do things "the right way"—that is, the way the boss does it. Yet none of us can define our right way as the only way. There are always many other ways, but it's more comfortable for the superior to have subordinates do things his way. And it is more comfortable for many subordinates, too.

This leads to the perpetuation of the currently acceptable approach to management I referred to previously, and these always become obsolete. If we really want fully to utilize the talents of our people, then we must allow them to manage or perform their specialty in their own best way.

It's true that they might do things differently than the boss. But what is our choice here? Do we want him to learn the boss's way, and perpetuate that style or mode of management? Or do we want him to learn from his faults as well as from his successes and use those experiences to chart his future approach to problems?

I am convinced that the major attraction of education and government jobs such as the Peace Corps is that they give young people immediate responsibility. They are on their own—they can experiment, innovate and apply the full range of their abilities. They get immediate feedback from the results of their efforts, and they must live with them.

In business, we seem to raise new college hires in a cloistered atmosphere, doling out responsibility at a slow, predetermined pace. Psychological atrophy is evidently preferred to a complete and vigorous use of human talent.

Four training rules

To prevent letting these young people down (and incidentally to develop better managers for the future) will require better managing in several areas:

▸ In long-range planning, we must determine minimum objectives for graduates. Talented graduates must not be permitted to stagnate at lower management levels. If the numbers are not managed, if we continue to overhire as most organizations do, they will leave and the feedback will be reflected in the subsequent years' recruiting. If they do not meet minimum standards for which they were hired, they must resign. College graduates who do not perform on a real job should not block qualified noncollege men.

▸ All jobs must be re-examined to make certain they contain "satisfiers." We teach new graduates the wrong things if they learn that they can be successful on soft jobs. Our current research indicates that the initial corporate expectations for performance (with real responsibility) mold subsequent expectations and behavior.

▸ Initial bosses of new college hires must be the best in the organization. All bosses need help in designing jobs for new hires. They also need help in understanding the growth and development process. The best ones are no exception. They usually get their rating of best in an entirely different area.

Current business value systems cause us to identify the best boss as the one who is meeting all the most important measurements. These usually are cost measurements, investment-return measurements, productivity measurements, and so on—not the measurement of "What kind of climate does he set for the growth of subordinates?" or "Does he really help his subordinates grow?" or "Is he aware of the need for subordinates to grow?"

The latter measurements should not replace the former, but the good manager should be measured on both.

My definition of "best" is a boss who meets all the technical measurements and has the courage and intelligence to give a young subordinate plenty of latitude. That is, he is not insistent that things be done his—or the book's—way. He expects experiment; he recognizes that failure can be profitable; he knows that he can't really grow adult people in a cozy, comfortable, womb-like atmosphere.

The real talent developer is the man who allows subordinates to test their own potentialities.

▸ The value reward systems of the organization must change to incorporate a payoff for people who work on the development problem, and who get results. If this pay-off is not readily apparent, they will not work on the problem.

Waste of talent

I am convinced that the underutilized talent in this country is a far bigger and more costly problem than the unemployment problem. And there are many clues that indicate that we seem to be going in the wrong direction.

Workdays are getting shorter, jobs more structured, external benefits getting bigger, more neuroses are developing in the working force. Brains and talents are our nation's most valuable assets. Yet we don't use them fully.

We in industry must communicate to youngsters on the campuses that we can fully utilize their abilities. It's time we quit talking about it and started doing it. Our pretty brochures are filled with clichés and promises, but our actual record is ambiguous. It's time for change—to human utilization—to the more efficient and more human use of human beings. **END**



Welcome to the country club, you misfortunates

Like golf, work also has been known to build status

A new kind of poverty program is described here by Morris Siegel, witty sports columnist for The Washington Star:

There is a bold sociological experiment taking place in Utah. If successful, it will bring Utah more publicity than anything since the Utes adopted a one-man, one-wife rule.

Golf has been added to the state's poverty program.

Fellow named Glen Collins, who directs Ogden's Manpower Training Institute, thinks golf is the berries when it comes to improving the self-esteem and motivation of a high school dropout.

"They have been called hoody, trampy and trashy," he said. "Now they find themselves putting with doctors and lawyers."

It also has a great effect on behavior, Collins added. "For many, the only sport they had ever seen was mother and father fighting. The only reason they got together was to plan a heist of the corner service station. Now they're well behaved."

Soul-saver Collins may have something in urging golf as part of the reconstruction program for the dropout, but he is likely to encounter bunkers of trouble trying to spread the practice.

Very few clubs—none that I know of—are dedicated to improving the social status of anybody, including their own membership, and won't turn over their posh facilities to a group of outside troublemakers. They have enough in their own ranks.

Furthermore, a great many of the golfers I know and play with are hardly to be trusted when it comes to preaching the gospel of what's right and what isn't.

They cheat.

Now if brother Collins wants his dropouts to learn how to kick a ball from the rough into the fairway without being detected, how to put a five on the card when he made a seven on the hole, how to improve a lie when his opponent isn't looking or even how to curse, he chose the right game.

The idea behind Collins' theory is noble enough, not to make golfers out of the dropouts, but to acquire an incentive to improve themselves.

"It serves as a status symbol, making the former young toughs feel more equal to the professional people playing on the same course," he explains.

Again the desired effect is doubtful. Those "professional people" Collins mentions are among the nicest, most considerate, most courteous anywhere—except on a golf course.

For a one-buck Nassau bet, they are capable of stirring up more dissent, ill will, friction and un-Christian feeling than a Senate hearing on Viet Nam.

Good idea, Mr. Collins, but I'm afraid you chose the wrong game.

Solitaire sounds more like it. **END**

© *1966 by The Washington Star*

To sell the "product" of politics you must first learn what the product is

Why don't they look to this man as a moving spirit for good government?

MR. DEHAAN: Well they don't look to him for leadership because too frequently he doesn't offer himself for leadership. He often seems to feel that if he stands for something people will go the other way.

This ignores, I think, everything we know about selling. If you are going to make any sales, you have to ask for the order.

This is true in a legislative sense and it is true in a political sense. You must recognize you won't always make a sale every time you ask for an order. But if you ask for the order and do it repeatedly, consistently, honestly and temperately, you will get some people seeing things your way. The business leader, with his proven record of success, his persuasiveness in other fields, should be asking for more orders in the political field.

MR. HOOD: Maybe there is something a little more basic than asking for the sale. If you are a salesman, you have to know your product before you ask for the sale. You have to know what you are talking about.

One of the reasons people don't look to the businessman as a leader politically is simply because the man often is not knowledgeable about this product of politics.

Unless he knows his product, he can't give a very good sales pitch and surely shouldn't ask for the order.

Businessmen have to become more knowledgeable politically to have real influence in that field.

How to get your feet wet

MR. FORSTER: If the businessman really is interested he can learn the ins and outs of politics and develop real skill. It begins not only with taking a course or something equivalent to that, but also with getting acquainted with the functional areas of his party at the local level, his own precinct captain or district committeeman, on a personal basis. Find out what his work is like, what jobs he has to have done, what skilled work needs to be done in a variety of areas.

MR. MOTLEY: Isn't this a question of persuading businessmen to think small rather than big? To think in terms of city hall, state capitals, rather than in terms of the President of the United States?

MR. FORSTER: I would encourage the businessman to think first of his own precinct. The one place in the world where votes are counted is in a precinct. He ought to know first how that operates and from that his own party structure within his political subdivision, whether it be a county or district. Who is the county chairman and how does he run the party in that county?

No businessman will be influential in a party beyond a financial contribution until he learns to understand the problems of his political leaders, and helps them in solving their problems. In this way he earns his spurs, becomes an influential member of his party. Then he can do something about the kinds of candidates that are run for office and about organizing support to get good candidates elected.

MR. MOTLEY: This kind of activity actually doesn't call for businessmen to stand up publicly, to make speeches or take positions.

MR. FORSTER: Not necessarily, no.

MR. HOOD: Maybe I am Peck's Bad Boy. Idealistically, I agree 100 per cent, but in working with businessmen over the country—to try to get them active politically—I have found that the average businessman just plain does not want to be patient enough to work his way up, to earn his spurs in politics.

MR. MOTLEY: If you find one who has a great talent for organization but does not want to spend two or three years earning his right to use his ability within the local political structure, what can you tell him to do? I tell that man to get active in a candidate's campaign.

First, make certain that the candidate is of your philosophy, that he is the type of candidate that you can be proud of. Then go and offer your talents and work in his campaign organization.

If you are an organizer, he can use you right now. If you are a top salesman, he can use you. If you are a public relations expert, he will use you. Then you become recognized very quickly by the local political organization.

To me this seems to be the quickest way a businessman with talent can get into the organization and can become recognized.

MR. DEHAAN: That is a good point. Too many people equate heightened participation in politics with actually running. They say: "Well, I haven't got the time for that; I haven't got time to keep files on a precinct." So they drop it there.

MR. MOTLEY: Yes, but one trouble, it seems to me, lies in persuading businessmen to sustain interest in politics, which is a continuing process by which we hopefully achieve good government. It too often becomes a matter of every two years or every four years; they come out and nobody is more surprised than the political pros. The only thing they want from businessmen, usually, is a check. The businessman, for years and years, has been looked on as a milk cow. You get out the milk pail and milk them for the funds to run the campaign.

But it needn't be that way.

There is a community in the Middle West where, because of the leadership of the local chamber and local business, there are over 8,000 graduates of the National Chamber of Commerce Action Course in Practical Politics. These 8,000 graduates' names have been put on cards, so that if the business community wants to stimulate some political activity, they have a roster of people who have had the training.

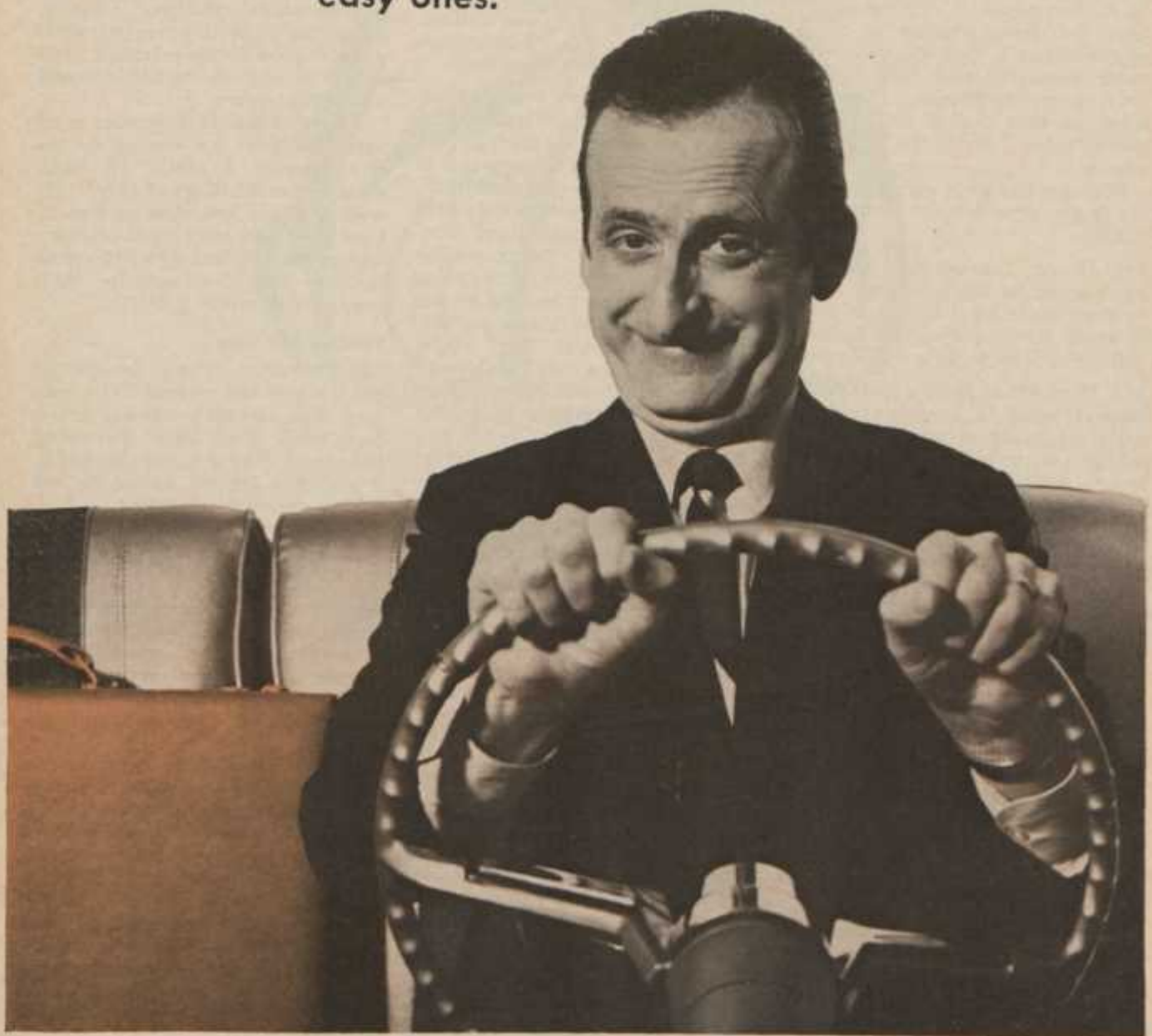
MR. DEHAAN: May I inject a local note? After the National Chamber came out with its Action Course in Practical Politics, Caterpillar Tractor, my company, which is in Peoria, Ill., adapted it some to suit Illinois and Peoria County. Then we urged all our employees to sign up, and we made the course available to everybody on an after-hours, half-cost basis. We immediately got a response from about 500 employees.

Then we did a little survey on these people. We discovered that in the very next election 18 of these people got themselves elected to precinct committee posts, a pretty good percentage. A much higher percentage admitted that for the first time they voted in primary elections, and a much higher percentage still said that for the first time they started talking to neighbors over the back fence about things political. I believe we helped



Decisions. Decisions.

When you're on a business trip, there are lots of hard ones you've got to make. But deciding which car to rent— that's one of the easy ones.



Chevrolet's Jet-smoother ride and spacious Body by Fisher interior are pretty decisive advantages all by themselves. But on top of that you've got the quiet good taste of Impala styling to make the right kind of impression on the people you meet. And you've got one of a traveling businessman's best friends—Chevrolet dependability. Which means that when you rent a Chevrolet on your business trips, you're going to get where you're going. Period.



Chevrolet Impala Sport Coupe—eight standard safety features include back-up lights

CHEVROLET | GM

Chevrolet—worth asking for

to upgrade the whole political climate of our community. That process is going on today.

Business has needed talent

MR. FORSTER: One thing I think we should recognize here: Every business organization, large, medium or small, has in it a tremendous storehouse of talent, all of which is needed in the process of electing candidates to office, whether it be a speech writer, a man who can write radio commercials or help to lay out a campaign itinerary. The challenge we face lies in getting this talent infused into the political process.

We have had some success in giving such direction in our community.

MR. HOOD: Yes, but top management must set the pace; top management must let it be known that it wants the employees to participate in politics, to be good citizens.

MR. MOTLEY: Is there a peril point beyond which a business, big or little, ought not to go in encouraging its people to become more active in politics?

MR. HOOD: Our company states that if our employees become active politically, they will be better citizens, regardless of party. We feel that if, in the long run, our employees are knowledgeable, they will be good citizens. If they run for political office, they will reflect that good citizenship, regardless of party.

MR. DEHAAN: There is a point of peril. For example, you have to decide in advance what you will do if they get elected.

We had a fellow in Peoria who got elected to the state legislature. This worked fine because we decided in advance that any employee on any payroll who got elected to a job that would take him out of town would get a formal leave, as we call it, the same as a military leave of absence.

But there are some other questions that you must ask yourself.

For instance: Should you arrange to register people to vote on company property? We don't.

Is politics dirty?

MR. MOTLEY: What about the businessman who says—and a lot do; I have heard them: "Politics is dirty. It is run by machines. I don't want to get involved."

MR. DEHAAN: Is anybody saying that any more?

MR. MOTLEY: Sure, all the time.

MR. FORSTER: I think Clarence Randall gave the best answer to that. He said that the businessman regards the politician as dirty and the politician regards the businessman as greedy, and that neither necessarily follows this pattern.

Businessmen and politicians are honorable and dishonorable in about the same proportions because such characteristics are traits of an individual, not of a particular calling. And if politics is dirty, it is because we have let it become that way.

MR. MOTLEY: Now, we have arrived at a point where business influences are such a substantial part of our economy that the question of possible reprisal by government inevitably arises. Investigation where businesses have government contracts, for example. The possibility of government, or politicians, going after a businessman because he has become vocal in the field of politics. In other words, the "fear" angle, the fear of getting tied locally with the wrong candidate, wrong issues or whatnot, because you stuck your neck out.

Most of us are sophisticated enough to understand that these risks are actual facts. How big a deterrent are they?

MR. HOOD: Businessmen have been told by their legal departments, "Don't get into politics, because you are liable to get in trouble." They have been told by their public relations departments, "Don't do it, because we are liable to make some people sore at us." They have been told by their sales departments, "Don't do it, because we are liable to lose customers."

As I said a while ago, there are about 815 companies that now have public affairs departments. These people are getting into politics. So help me, I don't know of one illustration of a company that has suffered by losing business or has been brought into court.

What about reprisals?

MR. MOTLEY: In other words, you feel the fear of losing government business or political reprisal is largely a figment of the businessman's imagination?

MR. HOOD: If the greater portion of a company's production or sales is tied in with government contracts, I can readily understand why a businessman would hesitate to be in the forefront politically. Particularly, if the direction he would go politically, even at a local level, would be exactly opposite to some of the people now holding office that he might have to deal with.

MR. DEHAAN: I think he has to assume that the game is being played by honest rules and conduct himself accordingly, whether it is or isn't.

I think there needs to be a better understanding by businessman of what necessarily helps or hurts their business, or what is good and what is poor public relations. Usually, doing the right thing in a public sense is good public relations, even though it may create frictions and a little controversy.

A good friend of mine who is an insurance man got elected to the city council. I said, "All right, what is the net effect of this?" He said, "Well, I lost some customers. I got the usual assortment of angry letters, but I picked up a little more business than I lost, actually. So it worked out pretty good."

Finding the time

MR. MOTLEY: There is another point which has nothing to do with fear. The average businessman is a busy man. Even those who aren't busy think they are, and this can be a real or a fancied excuse for not taking on another activity.

When he says, "I can't do it. I just don't have the time." What is the answer?

MR. HOOD: For the life of me, I can't understand a businessman who says he doesn't have time to devote a little bit of his substance and energy to being knowledgeable about legislation, about political activity.

No matter how hard he works to make sales and make a profit, that profit and those sales can be legislated away from him. To me he is not a whole manager. He is not a good manager.

The businessman's political actions buy him a pretty good insurance policy. Unless business speaks out and unless business is represented politically, business is going to lose still further its right to manage.

Already, today, many businessmen have lost a lot of their right to manage. Many of their prices are set politically. Many wages are set politically. These are decisions that management used to make on its own.

A manager should be aware of these political decisions that help run his company and he had better



Are inflexible financing plans clamping a lid on your growth?

Got a profit-making opportunity in mind... but find trouble getting financing to match your imagination? Look into CIT!

Doesn't matter how big or small you are. Or whether you need a few thousand or several million. Or whether your idea involves increasing sales, or new machinery, or office equipment, or store fixtures... business aircraft, a fleet of cars or trucks, a new plant, or new products. Or a merger or acquisition. For these and many other profit-oriented purposes, CIT has a host of plans ...can combine them in hundreds of ways... or devise an entirely new one to fit special situations.

Why can CIT do more to turn your ideas into profits? It's the oldest, largest, most experienced organization of its kind. It got that way by being "something special" when it comes to being understanding . . . considerate . . . and imaginative. In most any reasonable business situation, CIT will make a definite proposal. Check with us about plans and rates; prove to yourself the advantages you get with CIT. If you find that you can do better elsewhere, then you say "no" to us, not the other way around. More often you'll find the CIT way is best.

Financing Ideas... Free: *New book outlines and compares many modern ways to finance growth — turn business opportunities to quicker, larger profits. Mail coupon. No obligation.*

CIT



C.I.T. Corporation
650 Madison Avenue (Dept. NB6)
New York, New York 10022

Send me your free book of Financing Ideas.

Name _____ Title _____

Firm _____

Address _____

City _____ State _____ Zip _____

Flexible Financing by CIT • Instalment Purchasing • Equipment and Vehicle Fleet Leasing • Capital Loans • Accounts Receivable and Inventory Financing • Sale and Leaseback • Rediscounting

More than 230 sales representatives and offices. C.I.T. Corporation; Subsidiary of C.I.T. Financial Corp. Capital and Surplus over $445 million. Assets over $3.1 billion.

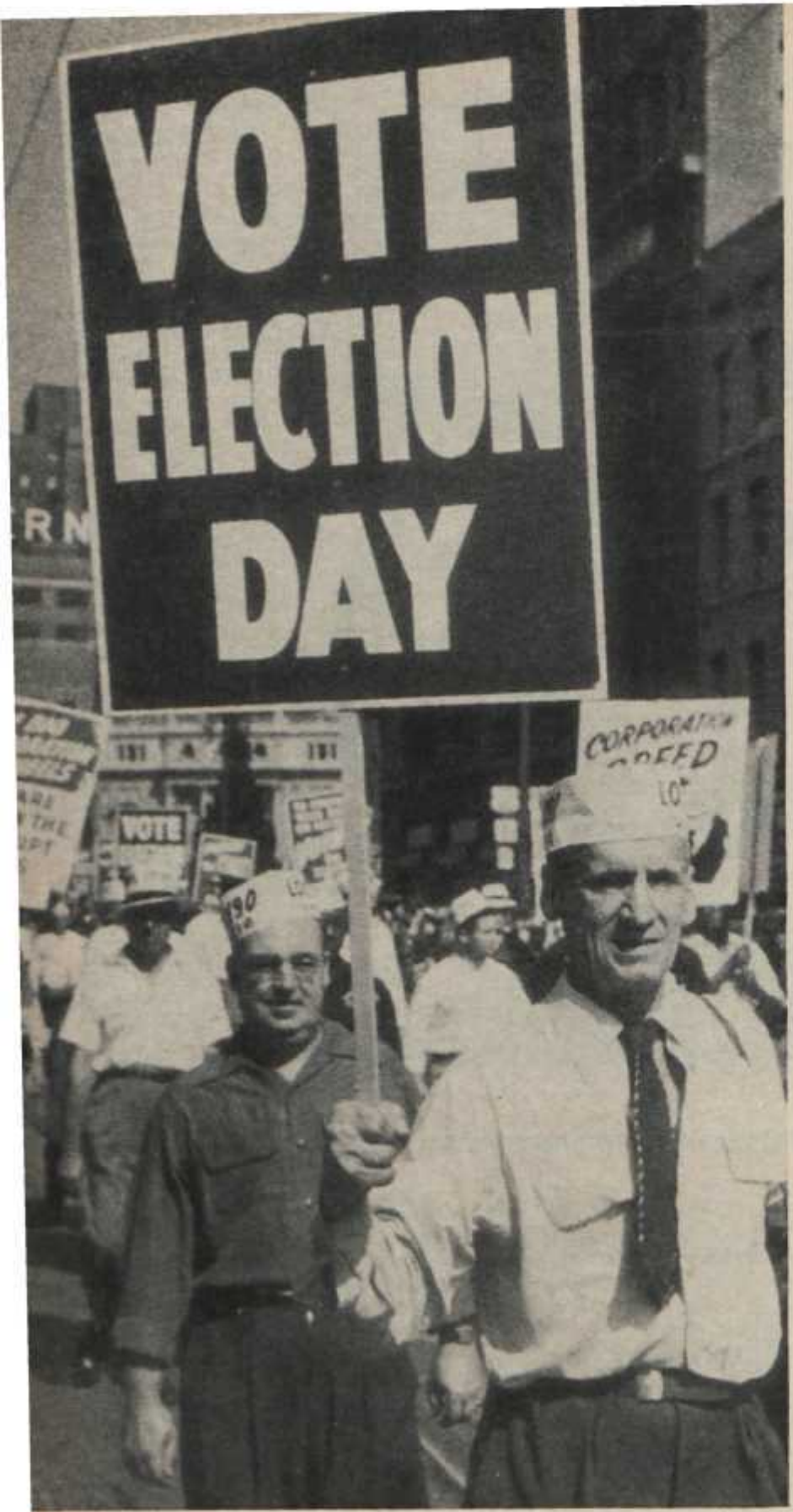


PHOTO: WIDE WORLD PHOTOS, INC.

Unionized labor began flexing its political muscle in a big way right after World War II. Now labor-backed officials jam legislative halls in many states and in Washington as well. The get-out-and-vote parade (above) is just one example of labor's political power in action. If business is to make itself equally vocal, the Nation's Business panelists agreed, businessmen will have to work much harder to elect candidates who support free-enterprise ideas.

POLITICS NEEDS BUSINESS *continued*

get in there and help protect his rights.

MR. DEHAAN: I think the businessman today recognizes that his business operates in a climate of which the legislative situation is a big part.

But he hasn't quite totally accepted the fact that the legislative cart is very often pulled by the political horse. Some of today's decisions on legislation, you know, really were decided back in the voting booths in 1964 and 1962 and 1960.

MR. MOTLEY: Suppose we are talking to a businessman who up to now has never been active in politics other than perhaps to give money and to vote. What should he do right now?

MR. HOOD: I would say first take time to study the voting records of the incumbents. Read statements that a candidate has made in newspapers. Try to find out who is supporting him. Get some kind of background on the philosophy of the candidate.

Then offer your time and talents and substance.

Labor elects its friends

MR. FORSTER: The U. S. House of Representatives as it stands today has somewhere between 260 and 270 members who are friends of organized labor.

We are not talking partisan politics here. We are talking philosophical points of view with respect to our society—whether it is to be a free-market society or whether it is to be a society with a strong central government and the executive branch generally dictating policy instead of having checks and balances.

A great many of those House seats are in so-called marginal Congressional districts located all over this nation. Districts where the incumbent was elected by, say, five per cent or less margin in popular vote. A little extra effort in those particular districts can do something to elect a good sound man to office.

I think the businessman ought to look and study, find out where these Congressional districts are located. He may be living right in the middle of one and not know it. If he is, it is high time he got to work.

MR. MOTLEY: Now in 1966, what is

☐ *Send me a copy of the Armco Building Catalog.*

☐ *Put me in touch with an Armco Building Dealer.*

NAME _____ TITLE _____

COMPANY _____

STREET _____

CITY _____ STATE _____ ZIP _____

TELEPHONE NUMBER _____



What makes an Armco Building better? CERTIFIED QUALITY

When you select an Armco Building, we'll certify in writing that your building was structurally designed under the supervision of registered engineers or architects. We'll certify that the components in your building are of prime quality American steels. We'll certify that all factory welding on your building was performed by welders certified to American Welding Society Standards. We'll guarantee our factory-enameled STEELOX® Wall Panels for 15 years against blistering, peeling, cracking, flaking, checking and chipping (and guarantee them 10 years against excessive color change). Also, roofs of ALUMINIZED STEEL are guaranteed for 20 years.

This is certified quality . . . and you get it only from Armco. Let us help you get together with an Armco Dealer. Mail the coupon today. Metal Products Division, Armco Steel Corporation, Department M-1086, P. O. Box 800, Middletown, Ohio 45042.

ARMCO Metal Products Division

POLITICS NEEDS BUSINESS *continued*

the most important focus for political activity by businessmen? Is it the executive branch of the government, like the mayor or governor, or the President? Or is it in the legislative bodies—the city council, state legislature or the Congress?

MR. HOOD: At the present time I think one of the most important areas the businessman could work in is his own state legislature. There isn't a state out of the 50 that isn't having problems. State governments in many cases are almost on the rocks. The people in state government face some real hardships. They need counsel and guidance and we need some top people in our state legislatures to meet head-on with some of these local problems.

If the local problems are met with head-on and at the state level, there will not be as much opportunity for big government to take over.

MR. FORSTER: I wouldn't disagree with that; but one of the main problems the state legislatures face is the shortage of taxable areas. The federal government siphons off such a large amount of the total national income in income taxes that it leaves the local municipalities and the state governments without funds to deal with their problems.

So long as we have a Congress that seems to believe that the solution to local problems lies with the federal government there is not going to be any change in the balance of this tax structure.

Now this means that, along with the importance of the state legislature, we have got to look at the Congress, because the Congress is the only place where that balance can be restored.

MR. MOTLEY: Can we learn from what labor has done?

MR. FORSTER: Everybody agrees that labor has done an outstanding job in electing people sympathetic to their philosophy. They are enjoying perhaps their greatest successes after having been constantly at it for 15 to 20 years.

The labor boys get the guys in and take them down one at a time over dozens of specific issues. How are you going to vote on 14(b)? How are you going to stand on federalization of unemployment compensation? And so on. If these men give a wrong answer on almost any one of these issues, then they are not eligible for the support of COPE in an election.



Mr. Hood



Mr. Motley



Mr. Forster



Mr. DeHaan

I hope businessmen would not approach the matter in this way. We want candidates who are men of integrity. Men who have courage. And finally, men who have an inquiring mind. Because after all, the legislative process is a search for the truth, the real facts of a situation. We want people dedicated generally to free enterprise, but not slavish in their thinking.

Any intelligent man knows there are different points of view on a host of little tiny issues. I think we have to work for men who can make decisions on their own in harmony with an over-all philosophy. Those are the kinds of guys we want to go out and support, whether they are in the Democratic Party or Republican Party, rather than have marionettes on strings in the halls of Congress.

MR. HOOD: I think businessmen should choose candidates who basically would work in any elective office to build a better business climate in government and work to protect the free enterprise system in this country.

What wins elections

MR. DEHAAN: I would underline the importance of what you have said, and the importance of the candidate. You continually run into this argument: "We are living in a day and age when you have got to promise people a chicken in every pot, and if you don't, you are going to lose. So where is the opportunity for the business-minded candidate, so long as people feel this way?"

It seems to me that when people say this, they demonstrate that they don't really understand what fundamentally wins elections. The professionals say the things that really win elections are:

First of all, the candidate himself—his integrity, his capability, how he projects, his image.

The second most important thing is the quality of the campaign, the organization behind him.

Third, and last, are the issues. People shout about issues . . . but issues alone don't usually decide elections.

MR. MOTLEY: The Great Society will be built, not by lifting its problems to the government, but by getting more individuals to participate as individuals in the never finished business of self-government.

If we are going to have a free society then we have to invite all to participate. And the business sector has not been as active, as vocal, has not volunteered to the extent it should. I think Lincoln said years ago that our success depends upon a well-informed, active, participating electorate.

This philosophy was exactly counter to Alexander Hamilton's philosophy, which is too much in vogue today: That we can only hope for a great society because of an elite group appointed to public office and calling the shots. Lincoln said he would trust to the wisdom of the people, if informed and actively participating, registering their beliefs—intelligent, well-formed beliefs—at the polls.

This is where the businessman comes in this year—in 1966, in what, though it's not a Presidential year, could be a showdown year. The businessman must become more politically active in our society, or resign himself to the prospect of a fundamental change in the society that will increasingly leave him in the cold. In 1966 we need action, not apathy. **END**

REPRINTS *of "Why Politics Needs Business in '66" may be obtained for 35 cents a copy, $16 per 100, or $135 per 1,000, postpaid from Nation's Business, 1615 H St. N.W., Washington, D.C. 20006. Please enclose remittance with order.*

What this democracy needs is a good $159.95 dictater.

The new Voca® is it.



The revolutionary new VOCA is the only standard-size dictating/transcribing machine selling for less than $160. At $159.95, it equals or surpasses any of the best-known brands costing from $250 to $800, in reliability as well as in performance and features. The patented VOCA is fully transistorized, employs magnetic media for the utmost fidelity and for error-free dictation, and operates on either regular current or flashlight batteries at the flick of a switch, without adapters. You can use the VOCA anywhere—office, home, car, plane, train, indoors or outdoors. Mail coupon today or phone for complete information.

Complete with Dictating or Transcribing Accessories
Patent No. 199,189; other patents pending

SPECIAL! FOR READERS OF NATION'S BUSINESS

WIN! A NEW VOCA

Here's your opportunity to win a great, new VOCA in our Grand Drawing. It's easy—Just fill in and mail us this coupon. Nothing to buy! You'll also receive FREE a full color brochure illustrating the amazing new Voca dictater, describing all the revolutionary new features that make it the most remarkable buy in dictating equipment today.
*Prize offer void wherever prohibited by law.

PHONE OR MAIL TODAY

VOCA CORPORATION
274 Madison Ave.,
New York, N.Y. 10016
Telephone: (212) MU 5-8171

Name_____
Firm_____
Address_____
City_____ State_____

EXCLUSIVE FRANCHISED DEALERSHIPS ARE STILL AVAILABLE

How Red China

BY J. EDGAR HOOVER

Director, Federal Bureau of Investigation



A publications firm in Washington, D. C., receives a letter bearing the return address of an individual in W-8, Berlin, Germany. Nothing in the letter indicates that it had been sent from communist-controlled East Berlin. In fact, the writer vaguely implies that he resides in the free sector of that city.

"As I live in Berlin and wish to get the newest technical papers of the American Rocket Society," the letter stated, "I sincerely hope that you would help and send them to me regularly. . . . I shall pay for this, and I believe you will offer me a suitable price."

The author of this letter was a Chinese communist intelligence agent. Under a fictitious name, he had been writing to business and industrial establishments, colleges and universities, publishing houses and technical societies in various parts of the United States, requesting maps, blueprints, scientific journals and other printed

spies on U.S.

material of strategic interest and importance to the Red Chinese. Over a period of months, thousands of dollars worth of data vitally important to Red China was sent him—innocently and in good faith—by Americans in care of a post office box in the communist sector of Berlin.

In another European city, the suspicions of alert authorities were aroused by the heavy volume of printed matter—most of it from the United States—which kept arriving at the General Delivery window of a local post office. Substantially all of it was addressed to a man with an Anglo-sounding name.

A discreet surveillance was established at the General Delivery window involved. It disclosed that the Anglo-sounding name was an alias being used by an Oriental—a consular employee of the Red Chinese who was engaged in clandestinely gathering valuable information regarding current political, industrial, economic and military developments in Western Europe and the Americas.

An American engineering magazine which publishes research papers and technical studies received a subscription request and a check from an address in Canada. It was accompanied by a note asking that future issues of the magazine be sent to a bookstore—one well known among intelligence agencies of the Western world as a nerve center of communist propaganda and intrigue—in Peking, China.

Destination—Red intelligence

A steady flow of other orders for American publications—all destined for Chinese communist intelligence sources—has been received from legitimate-sounding companies in Hong Kong and other business and industrial centers of the world.

Since 1949, when communist forces overran the Chinese mainland, Red China has poured tens of thousands of dollars into the

How Red China spies on U.S. *continued*

American economy through purchases of nonclassified publications of myriad types and descriptions. During a recent 12-month period, one United States publishing house alone shipped $4,556 worth of technical books to a firm in Peking. To procure an American engineering index, the Chinese communists eagerly paid more than $2,600; and a group of government research documents cost them $464.

Many other purchases of American publications, ranging from a few dollars into the thousands, have been traced to the Red Chinese.

This activity—the systematic collection of vital information, much of it available free or at moderate cost to any interested person in the United States—is one of the most intensive phases of the espionage offensive which Red China has launched against the United States. It is an offensive which has aroused increasing concern among federal intelligence agencies and others who recognize the danger of attempting to do business with so vehement an anti-American power as the government of Mao Tse-tung.



Red Chinese leaders are hungry for technological data which will help them modernize their industry.

Spy influx from Cuba

Particularly foreboding from an intelligence standpoint is the growing influx of Chinese communists into the Western Hemisphere. In 1960, the year after he seized power, Fidel Castro gave Red China its first—and at this point its only—embassy in Latin America.

From the sanctuary afforded them by this Cuban diplomatic post, the Chinese have launched an intensive campaign of treachery and subversion throughout other parts of the Americas.

This campaign has been greatly aided by trained agents and provocateurs who have ranged across Latin America as mem-

bers of Red Chinese trade, technological and cultural missions.

It is served also by employees of the New China News Agency, an official organ of the Peking government which has Latin American offices in close proximity to the United States.

Nor is the FBI unmindful of the potential danger of Chinese communist penetration of our own country through illegal border crossings, as well as by recruitment among persons who have strong ties to the Orient.

Foremost among the targets of the latter program have been students and scientists with living relatives behind the Bamboo Curtain.

As the largest and most militant power in the world today, Red China poses enormous problems—problems which inevitably will grow with each technological advancement that falls into her leaders' hands. The Maoists have repeatedly announced their goal of world communism, which must be won by militarily crushing the United States. They are determined that the American people shall contribute to their own downfall by helping to provide the knowledge and the tools for free world conquest.

Some companies don't fall for it

But not all American companies are being taken in.

In explaining his refusal to honor a subscription for his magazine from an address in Peking, an official of one American technical journal stated:

"I am reluctant to send our magazine to Red China because it contains information which might be militarily useful in the future.

"It is obvious that Red China is also sending requests to all colleges to obtain their technical magazines. If this is the case, we are allowing the results of thousands of hours of research to reach our

Peking proudly unveils its first atomic reactor, built with Soviet aid before split between the two powers.



RED CHINA SPIES

continued

enemies. To me, this is an alarming state of affairs. . . . It is a practice which should be terminated, and I would like your assurance that something definite will be done about it."

No such assurances can be given, because America is a democracy—firm in its conviction that state censorship and arbitrary secrecy pose a far greater threat to freedom than does the danger that information regarding our continuous technical and scientific progress will aid the nation's enemies.

Quite properly, countless pages of precise information concerning nuclear and space developments, military plans and expenditures, research projects and scientific undertakings, as well as other subjects which rarely see the light of day in a communist society, are published each month in American periodicals. Where communism requires ignorance and darkness, freedom prospers on truth and light.

Higher Earnings
ON YOUR SAVINGS



ASSETS OVER $700,000,000

Your savings earn 4.97% when held one year at current rate of 4.85%, paid semi-annually.

SAFETY—More than $250,000,000 in accounts over $10,000 each.

AVAILABILITY—High 16% liquidity ratio assures that your funds are available whenever needed.

SAVE BY AIR MAIL—We process promptly and pay air mail postage both ways.

INSURED

COAST FEDERAL SAVINGS

To: Donald Konrad 6-120A-3
Coast Federal Savings and Loan Association,
9th & Hill, Los Angeles, California 90014

☐ Enclosed is my check in the amount of $_____ NB-6

☐ Individual Account ☐ Joint Account

☐ Here is my passbook. Please transfer my account.

Name(s)_____

Address_____

_____ Zip_____

No one is more fully aware of the opportunities for exploitation provided by our free and open society than communist-bloc intelligence agents—particularly those assigned to diplomatic establishments in Washington and New York. These communist officials subscribe to a wide variety of American newspapers and magazines. They avidly read military, scientific and industrial publications. They travel widely, taking pictures and gathering maps, charts and other printed matter; and they are among the most interested observers at special meetings and exhibitions of American technological societies.

What communists get for free

A former communist spy has stated that the Soviet military attaché's office in this country is able to acquire openly and without subterfuge 95 per cent of the material it needs to meet its intelligence objectives. This defector commented, in fact, that in most other countries Soviet-bloc agents would spend 90 per cent of their time in clandestine efforts to obtain special types of information readily found in American publications.

The Red Chinese, however, do not have the advantage of diplomatic representation in the United States. They have neither an embassy in Washington nor a United Nations mission in New York to provide "cover" and immunity for intelligence agents. Thus, their espionage offensive against this country has been mounted from command posts beyond our borders.

Two of these command posts—both specializing in the collection of nonclassified data from the United States—are Guozi Shudian (International Bookstore) and Waiwen Shudian (Foreign Language Bookstore). Both are headquartered in Peking, where they generally do "business" (distributing Marxist propaganda and gathering intelligence material) through Post Office Box 88. They also have subsidiaries in several other Chinese cities, including Shanghai, Canton, Tientsin and Sian, as well as in Hong Kong and East Berlin.

The technical understanding and know-how they have gleaned from American publications have saved Red China and other Marxist nations incalculable time and resources in their race to overcome the camp of freedom. These savings have enabled them to narrow the gap between our two worlds—with minimum expenditure of often-scarce communist talent, communist material and communist funds. While humanitarian considerations may prompt us to share with the world certain products of American research and ingenuity, there is other data—nonclassified in the United States, but nonetheless of strategically important value to the enemies of freedom—which can be flaunted before the communists only at great risk. This fact has been recognized by many alert American businesses and institutions, such as the motion picture studio which several months ago turned down an order from a company in Hong Kong for films relating to American rockets, missiles, air power and other key weapons of our national defense.

A warning bell

Requests from sources abroad involving matters of potential military significance should ring a clear warning bell in the recipient's mind. As exemplified by the motion picture company mentioned above, three important considerations should be weighed by the person in authority where the questionable order is received:

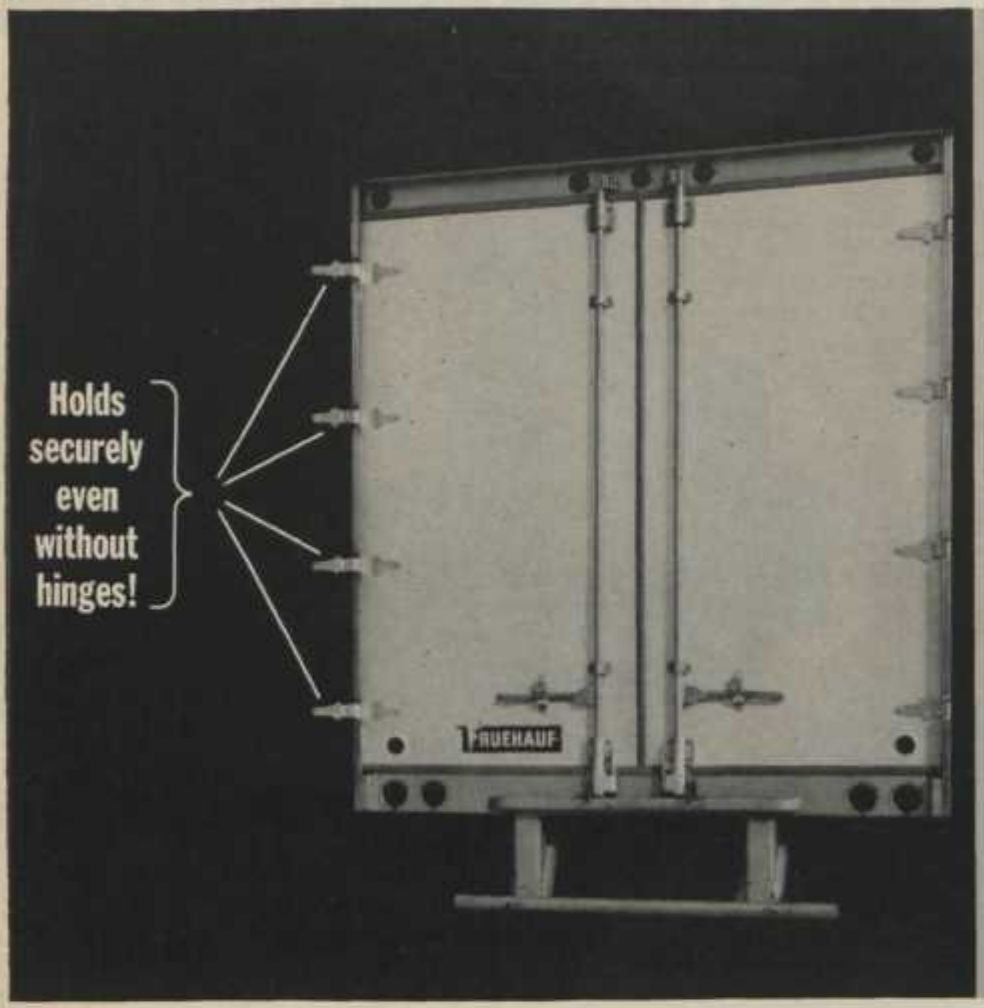
- What do I know about the source of this order?
- Would I be harming my country if I placed this information in communist hands?
- Should this order be brought to the attention of official agencies, particularly the special unit of the Department of Commerce which has been designated to handle such matters?

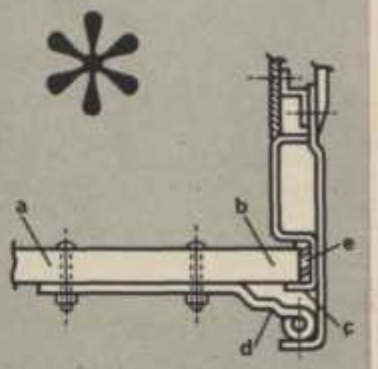
To halt the flow of vital data from this country to the communist enemy requires that many hands be placed in the dike—the hands of business and industrial executives, scientists and technicians, publishers and educators, as well as government officials. Alertness, caution and good judgment are essential if we are to thwart the intense espionage offensive of the communists—particularly the quest for nonclassified data by Red China—against the United States.

Mao Tse-tung has hurled the epithet "paper tiger" at the Western world. Let us Americans show our determination to protect the most vital pages if in communist eyes a "paper tiger" we be. **END**

REPRINTS *of "How Red China Spies on U. S." may be obtained for 30 cents a copy, $14 per 100, or $120 per 1,000, postpaid from Nation's Business, 1615 H St. N.W., Washington, D.C. 20006. Please enclose remittance with order.*

YOUR DOLLAR GOES FARTHER WITH FRUEHAUF!





The difference is Lock Flange design. As Trailer door (a) is closed, the hinged edge (b) seats firmly behind a protecting flange (c) which takes pressure from interior loads off the hinges (d). A sponge rubber gasket (e) provides a water-tight seal.

FRUEHAUF patented Lock Flange* helps make rear end 8 times stronger!

Another reason why Fruehauf Trailers are the first choice of professional haulers: patented Lock Flange Door Mounting*, developed by Fruehauf out of more than 50 years of Trailer-building experience, holds doors securely, even without hinges! Lock Flange helps make the rear end of the Fruehauf Volume☆Van Trailer 8 times stronger than that of trailers with conventional hinges and latches. Result: extra protection against shifting cargoes, extra return on owner's investment.

The facts speak clearly for Fruehauf engineering leadership, manufacturing excellence, and greater dollar value. For the full story on the Fruehauf Trailer that best fits your job, see your Fruehauf representative or write **Fruehauf Division, Fruehauf Corporation, 10941 Harper Avenue, Detroit, Michigan 48232.**

FRUEHAUF TRAILERS

Leadership in ENGINEERED TRANSPORTATION Since 1914

World's Most Powerful Rocket



Readied For Moon Shot Tests



▲ **The NASA facility,** with three giant test stands such as this one, is a dramatic illustration of the area's economic growth. When fully operational, the installation will employ some 3,000 engineers, technicians and support personnel, with an annual payroll of $30 million.

◀ **Huge cranes swing a test model** of the second stage of the Apollo/Saturn V space vehicle into its test stand at NASA's Mississippi Test Facility in Hancock County. Total cost of the facility, now in its final phases of construction, will run over $300 million.

Modern, multi-story buildings dominate the ▶ beautiful campus of the University of Southern Mississippi. An ambitious program of future physical expansion for the university is in the planning stage for an anticipated student body of 15,000.

Where is it?

California? Cape Kennedy? No, it's in busy, booming southeast Mississippi. Here the National Aeronautics and Space Administration has located its sprawling 142,000-acre Mississippi Test Facility, the proving ground for rockets to be used to land an American expedition on the moon. Once static firings are complete, the big boosters will go by barge to Cape Kennedy for final assembly and actual launching of the Apollo/Saturn V moon rocket.

Just northeast of the Mississippi Test Facility, progress takes another form at the bustling University of Southern Mississippi in Hattiesburg. Here, to meet the growing personnel needs of the space age, increased emphasis is given to the physical, biological and social sciences.

Southeast Mississippi's economic growth is typical of cities and towns throughout the 120,000-square-mile area served by The Southern Company system. Contributing to this growth is the ample, low-cost electric power supplied by our companies.

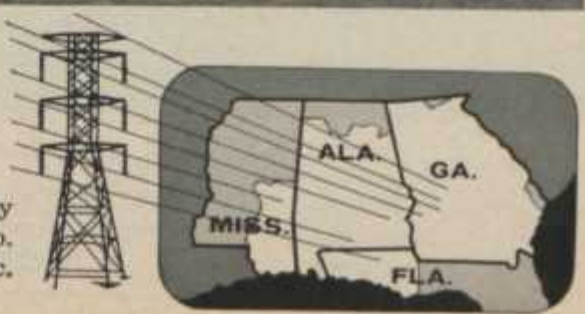


THE SOUTHERN COMPANY

ATLANTA, GEORGIA • BIRMINGHAM, ALABAMA

Alabama Power Company
Georgia Power Company
Gulf Power Company

Mississippi Power Company
Southern Electric Generating Co.
Southern Services, Inc.



TAX-PAYING • INVESTOR-OWNED

POWER FOR PROGRESS

THE PORK BARREL

continued from page 39

ban renewal, poverty, community beautification, education, regional health centers, football fields and golf courses.

Listen to some comments of a few of the Administration officials who were there:

Interior Secretary Stewart L. Udall: "I first met Dick White in December 1964 after he was elected, when I went in his area. . . . I think we can go ahead and give West Texas its second national park. I think because of the push that Dick has given this project, it has moved along as well as it has."

Sargent Shriver, director of the Office of Economic Opportunity, after describing the wealth of poverty programs at the disposal of the Sixteenth District of Texas: "Oh, before I go, I just want to put in a big plug for your Congressman. He's a great fellow. I hope that you continue to send him to Washington."

Clark Stratton, associate director of the National Park Service: "If there are individual projects you're interested in, if you will call Congressman White's office we will be glad to sit down with you and go over your plans."

Frank Harrison, chief of the division of legislation and regulations of the National Park Service: "Congressman White has been most active for a freshman Congressman. He has two bills well on their way. We feel the result will be such that it won't offend the state of Texas." (The bills are for a $2 million memorial center to commemorate the history of boundary disputes between the United States and Mexico and for a $11.5 million national park—both in Representative White's district.)

Dig now, pay never

Richard Shunick of the irrigation division of the Bureau of Reclamation, after describing another of Representative White's bills which would extend a canal in the Sixteenth District:

"This is something we all feel is worthwhile. . . . The U. S. would pick up the whole tab and not charge those who benefit."

Joseph Taylor of the Bureau of Outdoor Recreation: "Your Congressman has always been very fair and very attentive to the interests of other sections of the country as well as to those of home. . . . And I'm sure if the Congressman makes a request, he can get it for you. If you will write to Congressman White, we'll be very happy to answer your requests."

Lt. Col. Ralph S. Kristoferson of the Army Corps of Engineers: "Well, how do you get a project started? Contact your Congressman and let him know. Mr. White has been active in his district. . . . If we find a project is engineeringly feasible, they generally authorize the project. Then we need money. Mr. White has been very active in this respect. There has been money in the El Paso Protection Project; that's largely through his efforts."

Allen Cywin of Community Facilities of the Department of Housing and Urban Development (HUD):

"If I were you folks, I would take my shopping list and sit down with them (the people at the regional HUD office). Because there is a multitude of programs—and the reason there is such a multitude is because Congressmen such as your own are cognizant of the value of them and have introduced bills for such programs."

Joseph Hagan, special assistant

Tomorrow morning, have your clients make just one entry for payroll check, journal, and individual earnings record.

Then you can both take a long lunch hour.

McBee's new, low-cost General Records Poster can save your clients about 75% of the clerical time they now spend on weekly payrolls.

Just one entry posts all information on the proper lines of the General Records Poster. And they can make entries at the rate of one-a-minute! In fact, it's as close as they can come to automated pen and paper bookkeeping. *And it gives you more systemized, clearer records to work with.*

The General Records Poster is equally applicable to Accounts Receivable, lets them post to statement, ledger, journal, and receipt simultaneously. Or Accounts Payable, where they get complete budget, cash, and account control with simultaneous posting.

Start your clients on the McBee General Records Poster tomorrow morning. Then you can both take a long lunch hour together.

(For details, fill in this coupon.)



McBee Systems, Dept. 22FX
A Division of Litton Industries
Practical Methods Library, Athens, Ohio

Gentlemen:
Please send me full details on the General Records Poster.

Name_____ Title_____

Firm_____

Street_____

City_____ State_____

McBEE

to the director, Community Action Program, Office of Economic Opportunity: "We have a complete variety of programs for you."

James G. Morton, special assistant to the Secretary, Department of Commerce: "Dick White is one of our admired friends on the Hill."

Hollis R. Williams, deputy administrator for watersheds, Soil Conservation Service: "I've checked Congressman White on this and we might as well give him full credit for these programs. He might not have been in Congress when they were passed, but I'm going to give him credit for them anyway."

Later Representative White's group of constituents shook hands with still more federal officials at a cocktail party held in a sumptuous room of the resplendent new Rayburn House Office Building. Among those answering the call to greet the Sixteenth District Texans were James E. Webb, administrator of the National Aeronautics and Space Administration and several commissioners from the Federal Power Commission and the Federal Communications Commission.

"I keep getting the feeling somebody's trying to impress us," muttered a Pecos businessman as he rolled a half-eaten caviar hors d'oeuvre into a paper napkin.

Wouldn't you know

Although he attends many conferences, Vice President Humphrey didn't show up at this one. Instead, he sent a "Dear Dick" message expressing his regrets that "an unexpected Cabinet meeting" took precedence over the conference.

Democratic leaders see nothing indiscreet, unfair or improper about the freshman conferences. They point out that members of the executive department have long stumped for legislative candidates. But never has the stumping been so institutionalized or involved so many minor as well as major Administration officials.

Nor has the stumping ever started so early. Freshman Congressmen had hardly found their way between their offices and the committee rooms last year before the first freshman conference was called.

The novel feature of the conferences is the tacit, yet blatant, fashion in which those running them offer to swap tax-supported rewards in the form of federal programs and grants to specific Congressional districts in exchange for political support for the freshman.

The cost to taxpayers for putting on a conference is high. Taxpayers



"We're not forcing anything on anybody," says Sargent Shriver, head of Office of Economic Opportunity. But the poverty program "can't help but be very confusing."

THE PORK BARREL

continued

usually supply the meeting place, take care of the expenses for transporting a score or more of federal officials often to far-off spots, and continue to pay salaries to the officials while they are performing these favors. Not to mention the subsequent grants to the Congressional districts.

Realizing that the taxpayer-supported conferences are shaping up as a powerful technique for helping to keep the Democrats in control of the next Congress, the Democratic National Committee has actually dropped or reduced many of its own programs for re-electing Congressmen. One such program provided phone service to local radio stations for Democratic Congressmen.

Some freshman conferences put emphasis on a single program that the sponsoring Congressman has pushed. At a conference last December, for example, Rep. Bert Bandstra (D., Iowa), who had won his seat by a narrow 53 per cent, concentrated on a new federal program that he had supported. It provides grants and loans for sewer and water development.

Fourteen federal officials, including Howard Bertsch, head of the Farmers Home Administration, appeared at Representative Bandstra's conference, which was held in a junior high school in Oskaloosa, Iowa.

Mission to Mystic

As a result of the conference, 53 communities in Representative Bandstra's district applied for grants and loans under the program. When the first two approvals came through—for the Iowa towns of Mystic and Cincinnati—Representative Bandstra invited Gene Hoffman, state director for the Farmers Home Administration, to leave his desk in Des Moines to accompany him to the town halls of both communities where Representative Bandstra made the happy announcements.

Rep. George F. Senner Jr. (D., Ariz.) had 22 Administration officials at a two-day conference he held last September in his home town of Miami, Ariz. It was attended by 200 municipal, civic, labor and Indian leaders.

"I am privileged to bring you the personal greetings of President Lyndon B. Johnson and Vice President Hubert Humphrey, both of whom are deeply interested in the concept and execution of the development conference," Representative Senner told the gathering.

"We are attempting to bring the knowledge and experience of these top federal officials to Miami so that community leaders in the entire Third District will have an opportunity to learn firsthand of the federal help available. Federal aid programs can stimulate a tremendous economic growth in Arizona in the next five years."

The general euphoria of Representative Senner's conference was jarred only by some delegates questioning the federal government's motives in intervening in local matters.

One Washington official, Don Radler, deputy assistant director of the Office of Economic Opportunity, used part of his time at Representative Senner's conference to charge the nation's press with creating "artificial criticism of the war on poverty program."

"We constantly hear criticism of the poverty programs that is completely unjustified," Mr. Radler bemoaned, adding that such "slanted reporting" is normal for news reporting, especially from those who emphasize the minor negative problems of programs and ignore their positive aspects.

Lovely hula-handouts

Early last February, Rep. Patsy Mink (D., Hawaii), at the urging of the Vice President, left with a group of Administration officials from chilly Washington, D.C., for a two-day freshman conference in Honolulu. The Honolulu papers referred to the affair as "Patsy's conference."

Mrs. Mink, who was elected by only 54.4 per cent of the vote, tabbed the get-together as "nonpolitical." But she used the occasion to:

1. Make a statement that she would not fear the Republicans putting up a woman to run against her this fall.

2. Hold an open house celebrating the opening of her new home office.

3. Declare that she would even fight the President, if necessary, to prevent a reduction in the program to give extra money to areas that have a high percentage of federal employees, the so-called federally impacted area program. (Hawaii gets about $3.5 million a year from this.)

The most elaborate program devised by a freshman Congressman to keep in close touch with his constituents is that of Rep. James A. Mackay (D., Ga.), who carried his district by a seemingly safe 57 per cent. He has a standing conference of some 650 citizens broken into 31 "citizen panels."

Each panel covers a different broad area of interests—such as the Water Resources Panel and the Registration and Voting Panel.

Other freshman Congressmen are casting envious eyes at the Mackay panel arrangement, recognizing its possibilities for easy conversion into a political machine.

Where's the old get up and apply?

At a regular conference held last November in Atlanta, Representative Mackay prodded, "We passed 25 bills this session that can be taken advantage of right here. We have given you the tools and they are available, but there has to be a response to these tools and the initiative to apply for them.

"It is one of the unfortunate canards today that the federal government is trying to shove things down our throats."

To ease the charge of throat-shoving, Representative Mackay passed out blue sheets listing 91 different "services" that the federal government offers communities. Then he announced:

"One of the difficulties in getting on with the job is that of knowing what programs are available and how to take advantage of them. For this reason, I have proposed to the President of the United States that he initiate establishment of a central information office in the Atlanta area. Such an office could eliminate the frustration many experience when they try to find out what agencies and programs are available."

The freshman conference idea is spilling over into the Senate. Freshman Sen. Joseph M. Montoya (D., N. Mex.), for example, held a conference last December in Albuquerque and another one the next day in Santa Fe. He plans to hold more.

As official campaign time nears, however, most Congressmen have decided to hold up on the freshman conferences. They fear they may draw criticism from political opponents.

Democratic Congressmen are pleased to confide, though, that they think the freshman conferences have served their purpose nicely and that, come next year, they intend to start holding "sophomore conferences." END

Now you can go to a water cooler for soup – piping hot or on the rocks.

New Oasis Hot 'N Cold is just the thing for timesaving instant soups, coffee, hot tea and chocolate.

For soup on the rocks, the optional refrigerated compartment supplies ice cubes. It's also a great place to keep soft drinks and snacks.

Convenient refreshment to save time, save money and make work go faster is the Oasis specialty. With Oasis you can get it on a wall, in a wall, through a wall, piped water or bottled.

If you order your Oasis with a refrigerated compartment, for cubes and Coke, you get two separate sealed cooling systems, one for cool water, one for the compartment.

(We spread the work around so nothing gets tired.) And if it's one of our Hot 'N Cold models you get yet another system for the instant hot water supply.

Why not ask your Oasis representative all about them? He's listed in the Yellow Pages under water coolers. Or write for our fully illustrated brochure.

Sold or rented everywhere

OASIS WATER COOLERS

EBCO MFG. CO. Dept. D-28, 265 North Hamilton Rd. Columbus, Ohio 43213



©1966 Ebco Mfg. Co.

SELL MORE WITH FEWER SALESMEN

An expert describes the one sure means for injecting new life into a sluggish sales force

Today business leaders and sales managers are seeking desperately for some means to get more out of their salespeople. Thousands of dollars are spent each year on "incentive" schemes. Salesmen's wives have been wooed in an effort to win their support. The salesman's material security has been protected in every way through liberal benefit programs and every effort has been made to remove the stigma of being a "peddler" or "pitchman" by giving him more professional dignity and status.

In spite of all of these positive steps, the performance of many, perhaps a majority, of those engaged in distributive activities is below par.

Why?

The fact is, too many have not too little security but too much.

Paradoxically, perhaps, sales management is making little or no use of the most potent stimulus to action extant: A systematic plan for weeding out the incompetent.

Sales management's reluctance to take drastic action stems from a number of misconceptions about salesmen and what makes them tick.

All too often the sales representative is seen as a romantic figure—a knight in shining armor who sallies forth to do battle with his competitors.

Equally inaccurately, he is also seen as a modern economic man, motivated almost exclusively by money or its equivalents. It is assumed that if he can be shown the advantages of being productive, he will let nothing stand between him and the rewards diligence will bring.

Even more inaccurately, he is often seen as a true entrepreneur, endowed with initiative, imagination,



ROBERT N. MCMURRY, *the author, is a lifelong practitioner of the art of selling. He has sold everything from vacuum cleaners—door-to-door—to concrete mixers.*

Mr. McMurry is steeped in the theory of salesmanship as well. He has a master's degree from the University of Chicago and a Ph.D. from the University of Vienna. He has had more than 30 years experience as a sales consultant to department stores, soft drink manufacturers, pharmaceutical firms, whiskey distillers, insurance companies, encyclopedia and book sellers, bridge builders, construction companies and makers of railway equipment. He is president of The McMurry Co., his consulting firm, which operates internationally.

showmanship, ability to express himself persuasively and skill as a negotiator—a man capable of coping suavely with any situation.

Such salesmen do exist. But they are rare.

Some demonstrate their skill by earning more than $100,000 a year. But the median take-home pay for those calling themselves sales representatives and merchandisers is less than $10,000.

The model—Willy Loman or James Bond?

All too often, the Willy Loman in "Death of a Salesman" is the prototype of the working salesman, not James Bond with an order book.

The typical sales representative is a conscientious, loyal, relatively uninspired journeyman who goes about his job much as most other persons who work for wages. To him it is just a job. He must earn a living; this is one way to do it. Few are particularly ambitious, self-activating or capable of much creativity or imagination. They expect to be told what to do and when and how to do it.

Too harsh a picture? Look at the statistics. In most sales forces of more than a few men, 20 per cent of the personnel regularly produce 80 per cent of the sales; 30 per cent sell enough to make a profit for their employer; 30 per cent just pay their way, and 20 per cent cost more than they produce.

Many do not know how to sell; the majority make little effort to do so. They are the deadwood with which nearly every sales organization is burdened.

Why does a sales staff silt up with incompetents? There are many reasons:

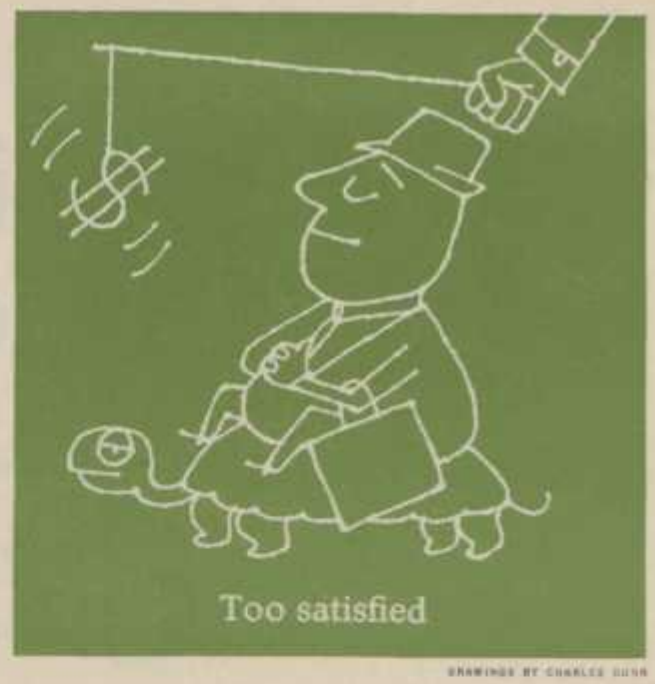
- Management's ineptitude in selecting and training.
- Its inertia in appraising salesmen's performance, with a consequent failure to see their shortcomings.
- Its conviction that replacing them is pointless because their successors will be no improvement.

This lack of dispatch in taking action is customarily rationalized by expressions of sympathy for the incumbent. More erroneously, sales executives often naively believe that every man, deep in his heart, honestly wishes to do his best, will sincerely appreciate every effort to help him better himself and will seize every opportunity to do so.

In consequence, the famous sales trainer J. Douglas Edwards reports, management typically spends as much as 60 per cent of its time attempting to rehabilitate those who are beyond salvage: The inherently incompetent. It does this instead of concentrating on the top half of the sales force, those who have potential for development.

Another gimmick in which many sales managers place great confidence is an appeal to the salesmen's wives to influence them to greater activity. It is assumed that the wife has substantial influence on the diligence with which he applies himself to his job. This is the basis on which many merchandise or travel incentive plans are predicated.

This is a very plausible theory but it is one which has rarely been subjected to test under rigidly controlled conditions. When this is done, as in a recent study, her influence does not emerge as a significant motivating factor. Wives enjoy going through the catalog or planning the trip, but they think of these awards more as "door prizes" or "trading stamps,"

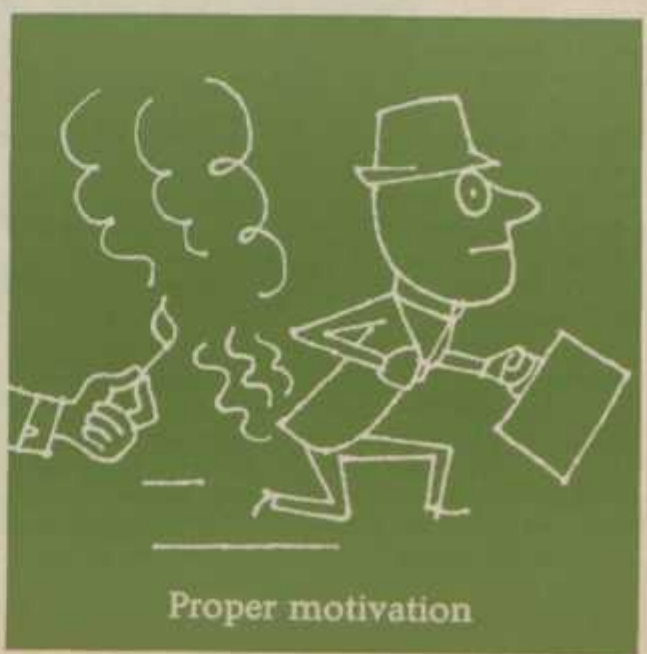


DRAWINGS BY CHARLES GUSH

by-products of the husband's normal activities, than as highly sought-after goals toward which they consistently urge him.

Five elements are necessary if the sales force is to be stable, productive and satisfied.

- First, the right people must be recruited, selected and properly placed. If the salesmen are not basically qualified, no amount or type of motivation will be effective.
- Second, they must be trained. Without training they can never be fully effective, no matter how strongly motivated.
- Third, they must be adequately compensated. If the man is poorly paid this is bound to affect his motivation adversely.
- Fourth, his performance must be periodically appraised. Otherwise it is impossible to know how well





he is performing and, in consequence, his need for motivation.

► Fifth, he must be competently supervised because it is particularly at this level that his motivational needs must be analyzed and adroitly exploited.

A salesman's basic drives

Motivation itself is far from simple. To begin with, every man's needs and life goals are unique to him. Some want money for its own sake; others for what it can do for them. Many need status, recognition, prestige. Some like power and authority. Others are fundamentally competitive; they must win. With a number, winning and holding the approbation of their superiors is important. Some people are naturally curious; they like to study and investigate. A limited number have a strong desire to serve, to help others. Almost universal, however, although rarely discussed openly, is a need for security, certainty and a predictable future. Fear of the future is universal.

The astute supervisor, often intuitively, senses each of his men's individual needs and motivations and handles each man accordingly. But he is aware that there is no single "hot button" which will have equal efficacy in stimulating everyone to action.

The fallacy of assuming that money provides a universal incentive lies in the fact that its potency diminishes very rapidly as the man's earnings approach the level necessary to maintain the standard of living which is satisfactory to him.

Up to the point where he can maintain a satisfactory standard of living, his needs are sufficiently great to force him to put forth the progressively greater effort required to earn more pay.

Once a satisfactory level of earnings has been reached, however, this motivation ceases. This is true even where the potential for additional earnings is almost unlimited.

Most sales incentive plans accent the positive. They are, so to speak, carrots dangled before the salesman's nose. The most commonly used, simplest and most effective are commission schemes of one sort or another. Closely allied are campaigns, contests and prizes including trips and merchandise awards. Other incentives include membership in prestige organizations, with special perquisites and marks of status and prestige and many other rewards and recognitions.

Rewards do, undeniably, have incentive value. They constitute the conventional stimulants to action, not only in sales work but in every phase of employee activity.

Employees on incentive whether in sales or in the plant are invariably more productive than those on straight salary. In a recent study of the productivity of salesmen of heavy construction equipment, the sales of men on straight salary averaged $135,000 a year while those of men on incentive averaged $253,000. Nevertheless, even the most potent of these positively oriented carrots is limited in its influence on the men's performance.

How to use incentives

In most sales organizations today, the task assigned to incentives is unrealistic. They are expected to energize and stimulate a poorly selected, inadequately trained, rarely evaluated, badly led and undisciplined group of dispirited, apathetic and naturally indolent men or women. They are expected to make tigers out of mice.

Getting production out of many sales organizations may be compared to rolling a heavy stone up a hill: The moment upward pressure is relaxed, the stone begins to roll back downwards and all that had been gained is lost. Thus the task of stimulating the majority of salesmen to action is an endless one.

The problem of positive motivation concerns primarily the middle 60 per cent of the sales force. The top 20 per cent are largely self-starters. The bottom 20 per cent are, for the most part, hopeless.

Therefore, how can the middle segment be best



You wouldn't think one electronic calculator would be more accurate than another.

But one is—Cogito!

The new Marchant® Cogito™ is more accurate than other calculators because it doesn't throw away significant digits in complex and involved computations. Even some of the more sophisticated calculators still have trouble handling decimals, still arbitrarily drop significant digits from the answers presented. Others signal they can't handle the problem at all. Cogito is a compact desk-top electronic calculator with unprecedented capacity and a completely automatic decimal system.

It can handle computations involving two twelve-digit numbers, presenting the twenty-four most significant digits as the answer. And you get all the accuracy of over a hundred decimal places in the product register. Other features of this compact calculator include: automatic floating decimal point; three independent storage registers for recall of any number in a computation; half-sized zeros which make significant numbers stand out for instant reading; silent operation; basic 10-key keyboard, easy to use for anyone familiar with adding machines. See for yourself how much more accurate the new Cogito is than any other calculator. No obligation, just mail the coupon.

MARCHANT CALCULATORS

SCM CORPORATION, 410 PARK AVENUE, NEW YORK, N. Y. 10022. OFFICES IN CANADA AND MAJOR CITIES THROUGHOUT THE WORLD

SCM



NB-4

SCM Corporation,
410 Park Avenue, New York, N. Y. 10022
Please send me full details on Marchant Calculators without cost or obligation.

Name_____ Title_____

Address_____

Company_____

City_____ State_____ Zip_____



Endless task

stimulated to improved productivity? Obviously all available positive incentives must be employed.

Where first-line supervision is sufficiently astute, conventional incentives can be supplemented on an individual basis by providing sales personnel with an opportunity to gratify other needs such as those for status, recognition, prestige, opportunity to advance, desire to learn, wish to serve and desire to meet superiors' expectations.

The almost totally disregarded single incentive, ironically, is the most powerful one. It is everyone's universal need for security.

Few people, other than veterans of the depression, talk about security. Many are not even consciously aware of its importance to them. Yet its influence is all-pervasive. It provides, for example, the underlying reason for labor unions and largely constitutes the theme of President Johnson's Great Society.

Carrot and the stick

Thus, if sales personnel are to be stimulated to maximum productivity, the carrot must be supplemented by the stick—a continuing threat to the incumbent's job tenure if he does not produce. So to be effective, job motivation must be two-pronged: It must have a pull aspect, the carrot, supplemented by a push element, the stick—planned insecurity.

The technique employed in a program of planned insecurity is a simple one. Each man, jointly with his superior, works out a target or production goal for himself covering some time period—three months, six months or a similar interval. Subsequently, not only is his production carefully recorded but other aspects of his performance, such as his use of his time, compliance with company policies, acceptance by his customers, attitudes toward supervision and efforts to improve himself, are regularly and comprehensively appraised by his superiors.

If at any time his sales are not attaining the predetermined goal, if his performance is consistently unsatisfactory and efforts by his supervisor to help him are clearly proving fruitless, he is placed on probation. This period may extend from a few months to a year.

During probation, if the man shows no significant improvement, he is fired. He may have a wife and five children or have been with the company 30 years. But if he cannot or will not perform up to standard after being given ample warning, and help, he is out.

Remedy—a pink slip

Many executives will protest that such a course is inhuman. Such managers often pride themselves on the low turnover in their sales units: An average of from two to five per cent a year.

In reality, low turnover is more frequently a confession of management incompetence, an admission that the organization is filled with deadwood, with amiable incompetents. No one is fired because management's performance standards are so lax that even the least competent can meet them. Often, in addition, those in charge are themselves so fearful and insecure that they cannot bring themselves to discharge anyone. An operation of this kind is rarely profitable. Sales costs are often exhorbitant and customer and public relations at a low ebb. Often this occurs without management's even being aware of the sorry state to which conditions have deteriorated.

Executives often rationalize inaction by saying that firings are bad for morale. Quite the contrary. A failure to clean house periodically is much more destructive to morale.

The conscientious, hard-working man looks around and says to himself, "Why should I exert myself, no one else does?"

He can conceive only two explanations for such a state of affairs. Either management does not know what is going on or the offenders have something on someone in management.

Neither of these assumptions is likely to inspire confidence in management or good morale. In most instances, such a state of affairs is more clearly indicative of weakness, inertia and indecisiveness in supervision. This invariably produces poor morale. This is why an occasional separation has such a tonic effect on the sales staff as a whole.

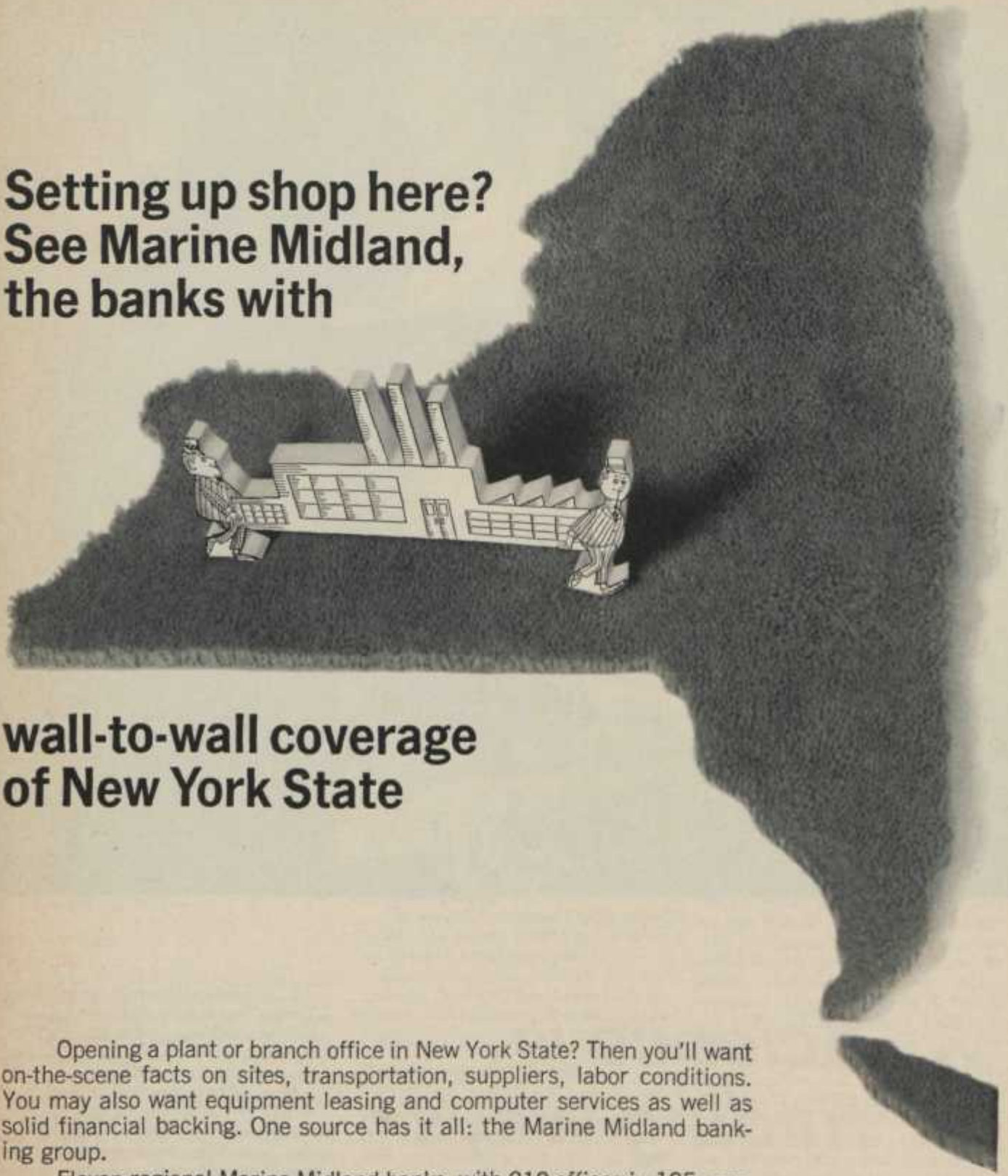
So the key to the motivation of your sales organization (assuming that they have been well selected, trained, compensated, appraised and supervised) is a push as well as a pull concept of leadership.

Planned insecurity may seem ruthless. But a business, if it is to show a profit and thus provide security for its employees, its management and its owners, cannot be run to suit the convenience of its personnel.

Only by such heroic measures can a lean, hungry, dynamic and aggressive sales organization be built and maintained. **END**

REPRINTS *of "Sell More with Fewer Salesmen" may be obtained for 25 cents a copy, $12 per 100, or $90 per 1,000, postpaid from Nation's Business, 1615 H. St. N.W., Washington, D.C. 20006. Please enclose remittance with order.*

Setting up shop here? See Marine Midland, the banks with



wall-to-wall coverage of New York State

Opening a plant or branch office in New York State? Then you'll want on-the-scene facts on sites, transportation, suppliers, labor conditions. You may also want equipment leasing and computer services as well as solid financial backing. One source has it all: the Marine Midland banking group.

Eleven regional Marine Midland banks, with 210 offices in 125 communities, can give you "wall-to-wall" banking coverage in New York State. Marine Midland is New York's only state-wide banking group.

For more details on what Marine Midland's "wall-to-wall" banking coverage can mean to you, write 241 Main Street, Buffalo, New York 14240; or phone 716/842-4187.

MARINE MIDLAND BANKS

New York's only state-wide group of banks
... also in London, England, and Hong Kong

MEMBERS FDIC



PHOTO: IVAN MASSAR—BLACK STAR

Science is finding ways to make you smarter

In a medical laboratory in New York City a man sits making decisions while electrodes attached to his scalp pick up his brain waves for analysis by a computer.

In another laboratory at the University of California a rat, its brain stimulated by chemical injections, also is making decisions—decisions more complicated probably than rats ever have made before.

An exciting but little reported frontier of human knowledge today is research into the mind of man.

To find the meaning of this research for the businessman, Associate Editor THEODORE DRURY *traveled from one end of the country to the other, visiting laboratories and interviewing more than two dozen leading scientists. Then he wrote this report.*



Effect of electrical stimulation of specific parts of the brain is studied by Dr. Frank Ervin (far left) at the Massachusetts General Hospital. He is teamed here with Drs. Vernon Mark and Toyoaki Chiba (right).

Though separated by 3,000 miles and eons of evolutionary development, the man and the rat have something in common: Both are contributing to the rapidly accelerating search for a better understanding of how the brain works—how you think.

The mushrooming investigations in this field are of vital interest to the businessman. As Dr. David Krech, professor of psychology at the University of California, points out:

"The investment of a corporation in an executive is really in his brain—not in his heart or lungs or liver."

As researchers learn more and more about how the human mind works—and why—they predict that you will be able to:

► Boost your mental capability and productivity, stimulate your learning and enhance your memory—possibly by simply adding certain chemicals to your diet.

► Handle your own emotions and those of others with greater skill and thus deal with matters more objectively.

► Measure mental ability precisely and detect—and probably prevent—the deterioration which comes with age.

► Choose from an expanding work force which includes people previously unemployable because of mental handicaps.

As a more distant possibility, some respected researchers predict that you will be able to put on a "thinking cap" which will enable your brain to draw on the resources of a personal computer to supplement your memory.

Even more significant is the likelihood that our growing understanding of the mind will help man bridge the gap between what he can do technologically—destroy the world with nuclear weapons—and his ability to control his own behavior and that of others. As one observer puts it:

"Mankind now resembles a gifted child. We would like to see it grow up to be an intelligent adult."

Researchers are looking for the answers to how the brain thinks, learns, remembers and solves problems.

Decision-making studied

Some scientists are studying the electrical impulses generated by the brain when it is making a decision and taking a risk. Dr. E. Roy John, director of the Brain Research Laboratories at New York Medical College, says:

"When the brain expects an event, it produces electrical activity which resembles that which would be generated if the event were occurring." Researchers are learning to chart the brain's electrical activity in decision-making situations and, in a sense, predict behavior by analyzing brain waves with a computer.

An extremely useful tool expected to grow out of expanding research is cited by Dr. John D. French, director of UCLA's Brain Research Institute:

"As we learn more about what determines the brain's efficiency, we will be able to make better estimates of mental capabilities."

Dr. Krech says: "I am certain we will have a good biochemical or electrophysiological test for the brain. The time may very well come when a business corporation will send its executives out for a checkup on the brain as part of their regular physical examinations."

As more is learned about the biochemical functioning of the brain, he predicts, we will better understand the changes which take place with age and cause senility. We may then be able to prevent these changes, possibly with chemical means, and extend the active mental life of many people. This could move the retirement age for executives well past the age of 65.

Rapid advances in computer technology and in our knowledge of how the brain works prompt two psychologists to make a prediction for the distant future: A "thinking cap" connected to a personal computer which will enable you to greatly augment your own mental capacity. They are Aaron B. Nadel and Robert E. Ehrlich of TEMPO, the General Electric Co.'s center for advanced studies at Santa Barbara, Calif.

TEMPO researchers already have developed an individualized computer system where information can be fed in and retrieved in everyday English, rather than one of the computer languages. This system adapts itself to the manner of expression and methods of thought of its user.

Drs. Nadel and Ehrlich speculate that further development of this type of computer, tied to advances in our ability to pick up and interpret brain waves, will lead to systems where questions can be asked directly of the computer by the brain and information will flow

WAYS TO MAKE YOU SMARTER *continued*

directly back. They point out, however, that a computer is simply a storehouse of data, and the value of such a system will still depend on man's ability to ask the right questions.

"We are on the threshold of discovery—of gaining real knowledge of how the brain works," says Dr. James L. McGaugh, youthful chairman of the Department of Psychobiology at the University of California's vast new Irvine campus. "We are on the verge of integrating discoveries in the field. Within 10 years big things will happen."

Pills to boost learning

Dr. McGaugh and others are experimenting with the processes of learning and memory. They have found that rats injected with certain drugs which stimulate the central nervous system learn things faster and remember them longer. They also have discovered a time factor in memory.

"There is good reason to believe that memory storage involves time, from perhaps minutes up to as long as eight hours," Dr. McGaugh explains. "This indicates that the process by which memory is fixed in the brain is a complicated one.

"Our notions about memory storage are gradually pushing us into a systems analysis of the brain. We're much like engineers who have been given a complicated piece of machinery to figure out."

It is believed that information from the outside passes into some sort of buffer in the brain. Some is screened out, some goes into short-term storage and part of that goes into long-term storage.

"We don't know now what changes take place in the brain cells when learning occurs," Dr. McGaugh adds. "Even when we find that out, we will still need to know a more important fact—what causes it to change and how it does so."

Researchers at Abbott Laboratories recently reported that animals injected with a particular nervous system stimulant—magnesium pemoline—learned four to five times faster than untreated animals and retained what they had learned for longer periods. This chemical increases the rate at which ribonucleic acid (RNA) is made in the brain cells, they said. Experimentation with humans has begun.

Other studies have suggested that changes in the RNA and deoxyribonucleic acid (DNA) content of the brain may be directly related to learning and memory.

(It is the twin-strand spiral of the DNA molecule within which scientists also have discovered the complex genetic code which controls reproduction and growth.)

These discoveries hint that you may one day be able to take a pill which will sharply boost your ability to learn and to remember longer what you have learned.

"The time will come when people will be using chemicals as a supplement to their diet to keep up the level of brain activity," Dr. Krech speculates. "What vitamin pills have done for other health problems, we may be able to do for brain function. I'm not talking about mood drugs like tranquilizers and pep pills. I'm talking about intellectual pills rather than emotional pills."

"Presumably DNA and RNA are involved in learning," says Dr. John Gaito, director of the Molecular Psychobiology Laboratory at York University in Toronto. "I don't believe we will be able to take a pill which contains information and thus acquire it.

"But we may develop a pill that will make our brain work more efficiently and increase our ability to learn."

Other researchers emphasize the future benefits from more effective training techniques that are based on a better understanding of how the brain learns and remembers, rather than from stimulation of the normal mind by chemicals and other means.

Studies are giving clues as to what happens in the brain when it is alert and attentive.

"Almost everybody has a greater range of mental capability than he recognizes or uses," says Dr. Robert B. Livingston, chairman of the Department of Neurosciences at the University of California at San Diego. "The study of brain mechanisms will have much to offer in terms of man understanding himself and being able to realize opportunities to raise his potential. It will help us discover how to better communicate information, encourage continuing learning and make the mind more dynamic in learning."

Dr. Frank R. Ervin, director of the Stanley Cobb Laboratories for Psychiatric Research at Massachusetts General Hospital, expresses similar beliefs:

"None of us makes optimal use of his brain and senses. The greatest advances will come, not from internal manipulation of the brain through drugs and electricity, but through external manipulation by more effective training, learning and computer techniques."

These predictions all hold particular promise as we enter an era when rapid technological change, in the opinion of some observers, will make it necessary for many people to learn and pursue several different careers in their lifetime. It also offers hope for adapting our educational system to the tremendous snowballing of knowledge already under way.

"If we have the chemistry to make topflight brains, we'll need a topflight educational system to train them," California's Dr. Krech points out.

He adds, "Our educational system may become shorter and turn trained people loose on the labor market at an earlier age."

Current research also is pointing the way to better understanding and control of our own emotions and those of others.

By inserting fine wires into specific parts of the human brain researchers have been able to provoke feelings of discomfort, general good feeling, anxiety or rising anger through electrical stimulation. "We are beginning to have some idea of how these more complex emotions work," Dr. Ervin says.

Scientists are beginning to learn how the brain exercises control over its own input at the early level of the sense organs, screening new information according to its previous experience, purposes and expectations.

"These factors are extremely idiosyncratic," Dr. Livingston says. "Yours and mine are considerably different from each other, as are those of a man and woman, an adult and child, a Chinese communist and an American.

"Changes take place in the brain's input pathway so that a person never receives fully accurate data. Because of the modulation and shaping of information by these early filters, perception is altered and we have quite different responses to the same experience. We have a different picture of the world."

This affects our judgment of others, our assessment of information, the values we impose and the way we make decisions, he points out. "If our sense perceptors were altered so that people got the same input of data, it would eliminate a

smart set

For about the same price as a second car, you can buy *both* an International Scout® and an International Cub Cadet® Tractor. A set. The Cub Cadet can be equipped to work around the yard around the year. Plant a garden, mow the lawn, rake leaves, plow snow. The Scout, with optional 4-wheel drive, goes anywhere. Haul a boat or head for the high country. The Scout is built for the rugged life, just like International trucks. And this one is for fun. You may have thought that we make only big equipment, like tractors, trucks and earthmovers. But our fundamental product is POWER—modern, dependable mechanical power for *every* purpose.

International Harvester puts power in your hands



Somewhere in this array of bottles, jugs, receptacles, machines, drums, dispensers, sprayers, and men there's a solution to your maintenance and sanitation problems.



It's called a phone call. A phone call to the nearest office of West Chemical Products. We make everything to keep just about anything clean and sanitary. We even make products that nobody else makes. Instead of buying a disinfectant here, paper towels there, a floor cleaner somewhere else, you can make one call to West and get it all. Plus professional advice on how to get the job done faster, easier, and more economically. And, if you wish, a service to keep washrooms clean and sanitary.

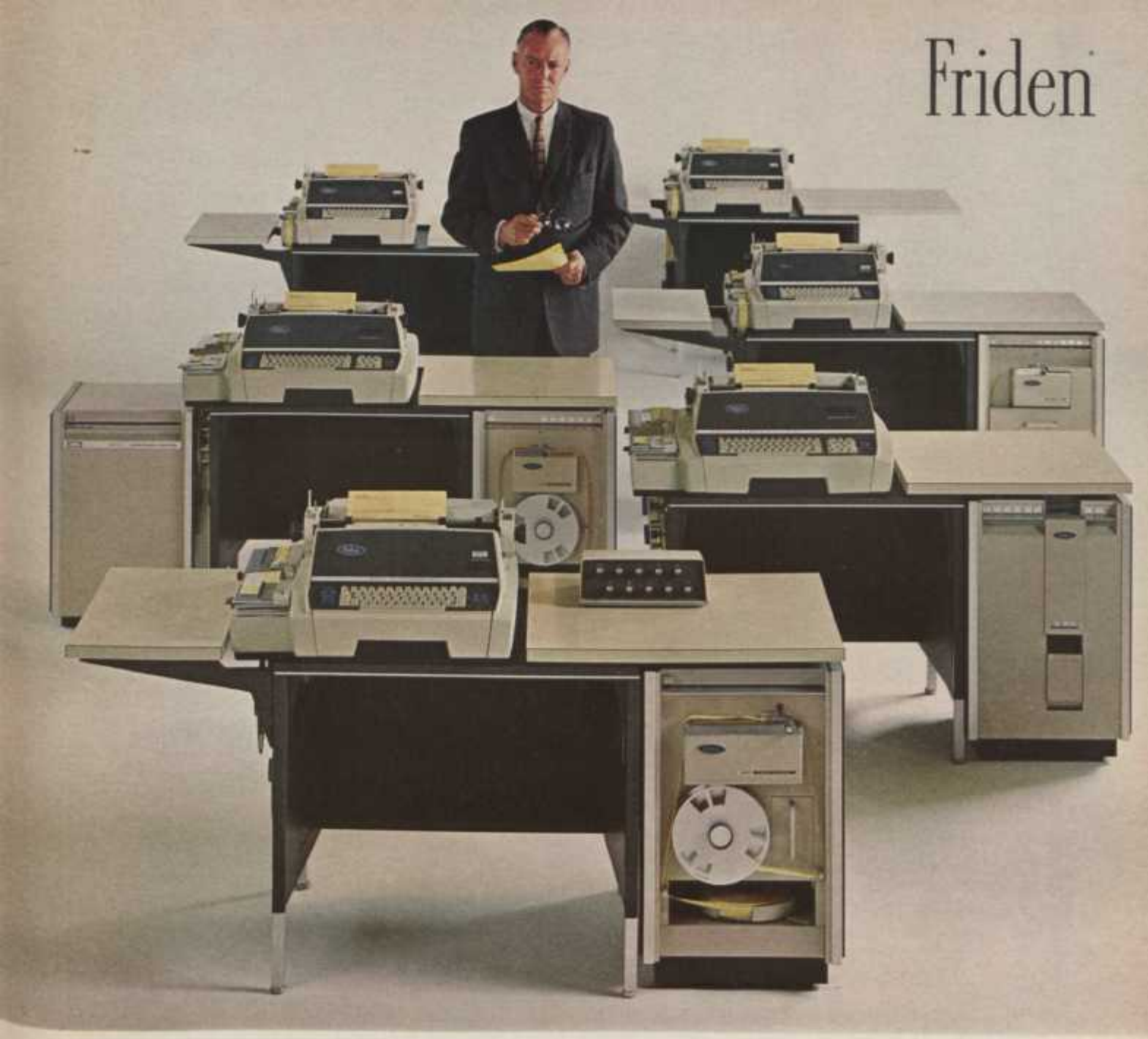
So if it's your responsibility to worry about keeping something clean, from a two-stall washroom to a skyscraper, go West. Make one phone call to your nearest West office; there are more than 60 of them in the United States and Canada. See your telephone directory.

It's the cleanest, fastest way to wash your hands of maintenance problems.

Go WEST

WEST CHEMICAL PRODUCTS, INC.
LONG ISLAND CITY, N.Y. 11101

Friden



Why does Friden introduce six new automatic writing machines?

Today, paperwork jobs aren't what they used to be.

They're more complex.

They're more varied.

That's why Friden has answered the call with six new FLEXOWRITER* automatic writing machines. Now you don't have to buy expanded capability for a simple job. But if you do want this potential, it's available, too.

Get just what you need.

For example, one of our machines is specifically designed for automatic letter writing.

Another can talk directly to computers.

And one of them has interchangeable program panels so you can use it for *any* automatic writing job you can think of.

Together, they can handle several hundred different operations.

We also have a complete family of related equipment such as data selectors, readers, punches, and converters.

For many years, FLEXOWRITER* automatic writing machine has been the basic machine for office automation because of its system concept and amazing flexibility.

The new models are quieter, smartly styled, and offer even more features.

If you're considering automation, call your Friden man first. Or write to Friden, Inc., San Leandro, California. Sales and service throughout the world.

Friden
A Division of SINGER

*A TRADEMARK OF FRIDEN, INC.

FLEXOWRITER* automatic writing machines by Friden



This is what mountain country looks like to the tuned car.

What makes a car a car is styling, performance, ride and handling. Only when they're all tuned together is the car a Buick. Like this '66 Skylark Gran Sport.

As a matter of fact, it's what miserable traffic looks like to the tuned car. And twisty, winding roads.

For the tuned car makes a habit of making unwelcome sights disappear.

Which makes the tuned car a most welcome sight indeed.

The Skylark Gran Sport—one of the tuned cars. The Skylark GS in the picture is, like every tuned car, a beautiful blend of styling, performance, ride and handling. Which means it rides as smoothly as it performs. (A suspension designed specifically for the GS sees to the ride. A 325-hp Wildcat V-8 sees to the performing.) And it handles as briskly and responsively as you'd expect a car that looks like this to handle. (Alas, some cars don't live up to the way they look. The tuned car always does.)

How the tuned car works its wonders. If you're intent on making mountains evaporate, you've got to get out of the test lab, we say. So we do a lot of our product development out in the real world, on real roads, where real people drive.

All this means you aren't likely to run into a driving situation that we haven't already seen. And *that* means the tuned car is tuned to your kind of driving.

Tuned safety equipment, even. Built into every Buick are padded sun visors and a padded dash. Two-speed electric wipers and windshield washers. A shatter resistant mirror inside and a rear-view mirror outside. Back-up lights. And seat belts all around, which we exhort you—nay, plead with you—to buckle on.

How to turn your country into tuned car country. The only thing standing between you and the tuned car is your Buick dealer. And an easier obstacle to surmount you've never met.

Unless you count mountains.

Wouldn't you really rather have a Buick?

1966 Buick. The tuned car.

GM

BUICK MOTOR DIVISION

WAYS TO MAKE YOU SMARTER *continued*

lot of the misunderstanding in the world."

Further information about how the mind works is coming out of research by Dr. William C. Dement, director of the Sleep Research Laboratory at the Stanford University School of Medicine. It has been found that there are periods during sleep when the brain is more active than when awake. These appear to be connected with dreaming and are characterized by rapid, jerky eye movements.

This study may lead to a better understanding of human drive, aggressiveness and productivity. Being deprived of sleep during these periods of rapid eye movement, for example, appears to excite the brain during waking hours to greater drive and ambition.

This may reverse the popular idea that some people get little sleep because they are energetic. It may be that ambitious, highly productive people are that way because they get little sleep.

Scientists caution that benefits for the normal person from current brain research lie somewhere in the dimly predictable future between the 1970's and the turn of the century—or later. They believe, however, that help for the mentally disabled is somewhat closer.

Millions of potentially useful lives are wasted because of mental disability. Half of the hospital beds in this country are occupied by mental patients, and their care takes up a sizable portion of most state budgets.

Some forms of mental disease have proven susceptible to treatment by electrical stimulation of the proper part of the brain. It is believed that certain types of mental retardation can be prevented by correcting a chemical imbalance in the brain. Many people are unemployable because of marginal mental ability. Dr. McGaugh points out that brain stimulation through drugs could add these individuals to the work force. **END**

CHOOSE BUSINESS CAREERS *continued from page 47*

graduates to your firm and then keep them:

▸Be more selective about the men you recruit. This is obviously basic to successful recruiting. But Frederic Way, assistant dean in charge of placement at the Columbia University Graduate School of Business, says this rule isn't always observed. It's only within the past five years, he adds, that many companies began making determined efforts to match men with jobs; "and there are still a lot of firms that don't know what they're doing."

How can you improve your selection process?

Take a close look at the kind of young men who are and who are not making good in your company right now.

You probably should hire in the future the same kind of young men who are making good now—and avoid those who aren't.

Determine precisely which qualities you need most in your men. Requirements vary between companies and between occupations. But intelligence and motivation are always of extreme importance.

Base your selection of men on the records they have made, not on what you think they can do. Companies which are generally successful in recruiting (meaning they are right about 85 to 95 per cent of the men they recruit) usually try to avoid experimenting and risk-taking.

Finally, remember that successful recruiting depends to a considerable extent on your recruiter. "I'm appalled, however, at some of the men we see," says Mr. Way.

▸Project an image of social consciousness. A recent study at California State College in Long Beach shows students there rate the contribution they can make to society as the second most important characteristic of a career ("personal satisfaction" is first). This feeling is common to college students throughout the country.

"You don't just find it among the eccentrics," says Elles M. Derby, associate personnel officer of Metropolitan Life Insurance Co. "You find it also among good students and youngsters who have been around socially. Liberal arts students seem to be especially inclined this way. They want to do something for other people. Unfortunately, a lot of them don't identify business with doing good. So that means we must convince them that we do."

▸Paint an accurate picture of your company. One of the commonest complaints of young men who have quit their first job is that the recruiters painted too glowing a picture of their companies and training programs.

"I admit I learned a lot from the company's program," says a 24-year-old who graduated from a small liberal arts college, went into the business training program of a large manufacturing firm and then resigned to go to business school. "But my early jobs and courses stressed the trivial. I had only one challenging course. I don't think the recruiter gave me a true idea about the program. Anyway, I wound up with a jaundiced view of the company and quit after two years."

The deadly grapevine

Such incidents represent more than just a loss of time and money for a company. A more serious result is that word of the young man's disillusionment soon gets back to his college and begins to circulate. And as one recruiter puts it succinctly: "The grapevine can kill you."

▸Design your training program to give greater trainee satisfaction. Criticism of company training programs among the young men who are taking them is widespread. Many programs are called "trivial

Attach Nation's Business address label here so your present subscription record can be quickly and accurately identified.

We can find your subscription much faster . . . IF

. . . you include a copy of your address label when writing us. Just clip it from the front cover of Nation's Business and attach it here

Then cut out this form and send it with your correspondence. If changing your address, include new address below:

Name

Co. Name

Address

City State Zip

Mail to: Nation's Business
1615 H Street, N.W.
Washington, D.C. 20006

Federal Community Programs

Federal grant programs affecting the local community have been coming along thick and fast, as you know.

More than 40 such programs are now the law of the land.

Government agencies are promoting these programs, some of them with more fervor than others. The list of programs include:

—Aid to Families with Dependent Children
—Air Pollution Control
—Highway Beautification
—War on Poverty
—Consumer Education for the Poor
—Water and Sewer Facilities Grants
—National Defense Education
—Educational Television
—Low Housing Demonstration Grants
—Rural Housing for Domestic Farm Labor
—Juvenile Delinquency and Youth Offenses Control
—Manpower Development and Training
—Urban Mass Transportation
—Urban Renewal
. . . and so on

For the local chamber of commerce that wants to find out more about any or all of these programs, the National Chamber has set up a *Clearinghouse on Federal Community Programs.*

The purpose of the Clearinghouse is not to tell the local chamber whether or not it should participate in any federal program. What the Clearinghouse does is to provide the facts in the case.

It answers the local chamber's questions.

It shows how the program in question works, and what is involved.

It tells the local chamber what the experiences of other local communities have been, good or bad, in putting a particular program into operation.

In short, the National Chamber's Clearinghouse on Federal Community Programs tells the local chamber of commerce everything it needs to know about any federal grant program, so that the local chamber can evaluate it and make its own decisions about it.

Also, the Clearinghouse provides examples of how a local community can solve its own problems through the use of local initiative, leadership and capital.

For detailed information about this Clearinghouse service, or for dependable answers to your questions about any federal program affecting your community, write:

CHAMBER OF COMMERCE OF THE UNITED STATES / WASHINGTON, D.C. 20006

and dull," "downright insulting," "utterly nonessential." Yet by and large college graduates accept the fact that they need training—though not always of the type that management prescribes.

Their acceptance increases the more they feel that the training is designed to push them ahead and not simply to serve the company's needs.

▶ Make sure that the graduate is assigned to a man who can bring him along.

There are two problems here.

One is to find experienced men who have the talent for developing young men and who are willing to take the time to do it.

The second problem is to force yourself and your associates to recognize that, in hiring a young college graduate, you are mainly concerned with developing his future usefulness and not with filling an immediate job opening.

▶ Give young men more responsibility and opportunity. To be sure, many of those who are clamoring loudest for this have exaggerated ideas of what they can do, just as they often have exaggerated ideas of what they are worth. Nevertheless, the feeling grows in many companies that if young college graduates are to be happy and effective in business, they must be given the opportunity to take on responsibility very soon.

This belief has been put to the test in the Bell System. Results are good.

A program that works

The Bell program is unusual in a number of ways. College graduates who are employed must be highly work-motivated and of well above average intelligence. They must not only stand in the top half of their college class but must also score in the top 50 per cent on an Educational Testing Service test given by the company. They spend their first week with the company in a series of sessions designed simply to help them analyze themselves and their role in business. Then they are assigned to a job which they are expected to run.

Bell recognizes that the smarter a man is, the harder he is to handle and to retain. Therefore, he must be given every chance to achieve.

The company also believes that only on-the-job work gives data about a man, and that a company can't develop a man; all it can do is give him the opportunity to develop himself.

▶ Don't let your young men get lost.

"These smart young M. B. A.'s we're hiring for our sales management training program need a lot of attention," says Lawrence Jackson, administrative assistant in charge of field college relations for Metropolitan Life Insurance Co. "They're used to it in school. They know their talents are in demand. If we didn't have procedures to keep up with them—to keep them from dropping out of sight—our program might not succeed."

Metropolitan Life's recruits are scattered around the country in district offices. Some of the things Mr. Jackson does to let them know the company is interested in them include asking them for regular written reports, telephoning them whenever a report indicates they are having problems or have scored a success, visiting them in the field and bringing them in to headquarters for meetings with the company management.

Colleges graduates today are impatient for success, and they are inclined to feel their employer is in good part responsible for helping them achieve it.

Guidance welcome

They want two kinds of assistance—positive and negative.

Positive assistance includes such things as guidance counseling, exposure to new experiences and regular transferral to new jobs that are clearly pointed toward a worthwhile goal.

Negative assistance involves the elimination or temporary lowering of unreasonable barriers that irk and often frustrate all men.

▶ Give more personal guidance and counseling.

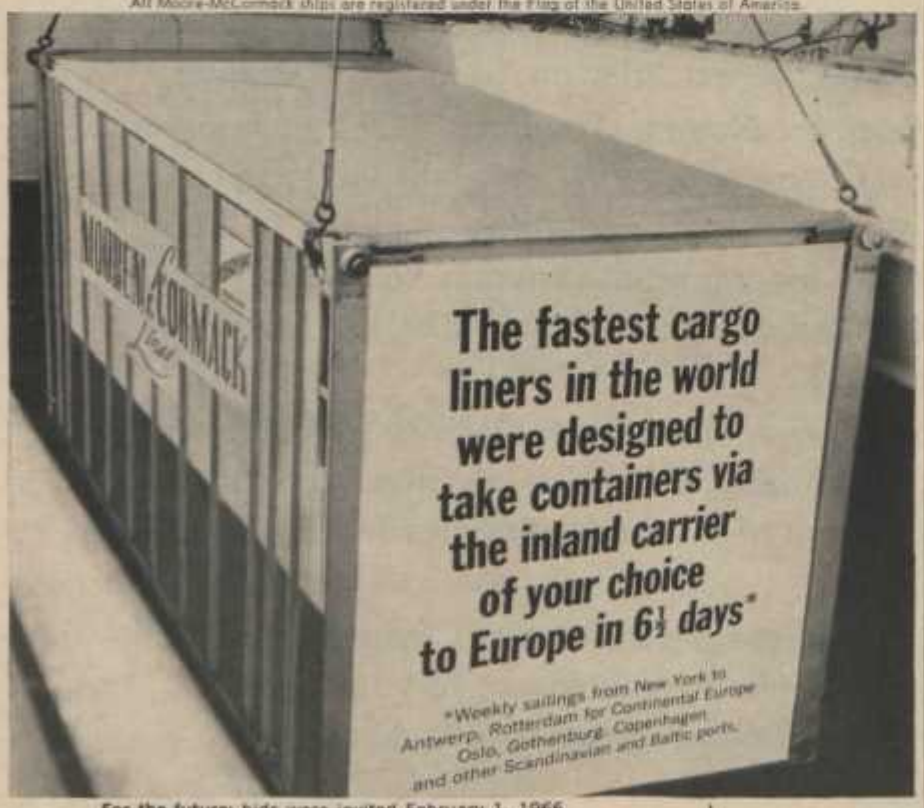
Somewhat surprisingly, in view of the current college graduate's independence and confidence, guidance counseling is one of the things he wants most in business.

"My main criticism of my company's training program was that we got insufficient guidance," an exceptionally brilliant, capable and ambitious college man commented recently.

"The program administrators visited our plant often enough, but they weren't the caliber of men who could give sound career development advice."

Most companies, of course, hope this need for guidance will be satis-

All Moore-McCormack ships are registered under the Flag of the United States of America



For the future: bids were invited February 1, 1966, for building four container roll-on roll-off cargoliners of 28,000 tons displacement, designed for cruising speed of 25 knots.

MOORE-McCORMACK LINES

CONTAINER DIVISION • Two Broadway, New York 10004 • Phone (212) 363-6640

The company that has proven from experience the speed and economy of door-to-door containerization.

Bates Shoe Company says scientifically planned music cuts absenteeism.

Bates Shoe Company in Webster, Mass. works hard for the people who work for them. Like any well-managed company, they know employee attitudes affect performance. Their Webster plant employs 300 people and their North Grosvenordale, Conn. plant about 200.

When we called on Bates Shoe Company we told them music by Muzak® is scientifically planned for work situations. That it is designed to offset the boredom and fatigue of routine jobs. We showed them how some companies use Muzak profitably to increase efficiency and reduce errors. And how others find it helps cut lateness, absenteeism and turnover.

We told Bates Shoe Company that Muzak masks distracting machine noise without outshouting it. And that it relieves tension in high noise areas. We showed them where Muzak works in areas where noise levels reach 100 decibels.

Bates Shoe Company didn't take our word for it; they insisted on a trial installation. The results were predictable: employees liked working with Muzak. Their attitudes improved; so did their work. We installed complete Muzak systems in the Webster, Mass. plant and also in the North Grosvenordale, Conn. plant.

Mr. Richard N. Sears, President, says, "Absenteeism and turnover have been reduced, thanks to our more pleasant working environment.

"Our Muzak sound system also gives us a modern and effective paging feature too.

"We are sure individual performance increased since we installed scientifically planned Muzak."

music by Muzak®

Don't take their word for it.

And don't take our word for it. Prove it to yourself with a trial installation.

☐ I'd like to talk about it with a Muzak franchiser.
☐ I'm still skeptical, send me more proof.

Name_____

Title_____

Company_____

Address_____

NB-3

Muzak A Division of Wrather Corporation, 229 Park Ave. South, New York, N. Y. 10003

Advertisers in this issue • June 1966

	Page
Addressograph Multigraph Corp. *The Griswold-Eshleman Company, Cleveland*	4-5
Agfa-Gevaert, Inc. *Kameny Associates, Inc., New York*	71
Allstate Insurance Companies *Leo Burnett Company, Inc., Chicago*	54-55
American Telephone & Telegraph Co., Business Usage *N.W. Ayer & Son, Inc. Philadelphia*	115
American Telephone & Telegraph Co., Long Lines *N.W. Ayer & Son, Inc. Philadelphia*	1
Armco Steel Corporation, Metal Products Division *Marsteller, Inc., Pittsburgh*	81
Armstrong Cork Company, Building Products Division *Batten, Barton, Durstine & Osborn, Inc., New York*	2nd cover
Avis, Inc. *Doyle Dane Bernbach, Inc., New York*	29
Buick Motor Division, GMC *McCann-Erickson, Inc., Detroit*	108
Burroughs Corporation *Campbell-Ewald Company, Detroit*	66-67
Chamber of Commerce of the United States	110-111
Chevrolet Motor Division, GMC, Auto Fleet *Campbell-Ewald Co., Detroit*	77
Chevrolet Motor Division, GMC, Trucks *Campbell-Ewald Company, Detroit*	12
C. I. T. Corporation *O. S. Tyson & Company, Inc., New York*	79
Coast Federal Savings and Loan Association *Curt Advertising Agency, Los Angeles*	88
Commercial Credit Corp. *VanSant, Dugdale & Co., Inc., Baltimore*	34
Continental Insurance Companies *Doyle Dane Bernbach, Inc., New York*	10, 11
Dodge Division, Chrysler Corp., Cars *Batten, Barton, Durstine & Osborn, Inc., Detroit*	73
Eastman Kodak Company, Business Systems Markets Div. *J. Walter Thompson Company, New York*	51
Ebco Manufacturing Company, The *Meldrum & Fewsmith, Inc., Cleveland*	95
Equitable Life Assurance Society of the United States *Foote, Cone & Belding, New York*	33
Evinrude Motors, Division of Outboard Marine Corporation *The Cramer-Krasselt Company, Milwaukee*	3rd cover
Executone, Inc. *Basford, Incorporated, New York*	20
Ford Motor Company, Trucks *J. Walter Thompson Company, Detroit*	58-59
Friden, Inc. *Richard N. Meltzer Advertising, Inc., San Francisco*	107
Fruehauf Trailer Division, Fruehauf Corporation *The Allman Company, Inc., Detroit*	89
General Electric Company, Large Lamp Division *Batten, Barton, Durstine & Osborn, Inc., Cleveland*	17
Georgia Department of Industry & Trade *Burke Dowling Adams, Inc., Atlanta*	50
Hilton Hotels Corporation *McCann-Erickson, Inc., New York*	50
International Harvester Company, (Institutional) Motor Truck Division *McCann-Erickson, Inc., Chicago*	105
International Textbook Company, International Correspondence Schools *N.W. Ayer & Son, Inc., Philadelphia*	26
Kaiser Jeep Corporation *Compton Advertising, Inc., Toledo*	9
Lathem Time Recorder Company *George & Glover Advertising, Atlanta*	56
McBee Systems, Division of Litton Industries *West, Weir & Bartel, Inc., New York*	92
Merrill Lynch, Pierce, Fenner & Smith, Inc. *Alber Frank-Guenther Law, Inc., New York*	21
Middle South Services, Inc. *Knox Reeves-Fitzgerald Advertising, New Orleans*	13
Mobil Oil Company *Doyle Dane Bernbach, Inc., New York*	15
Moore-McCormack Lines, Inc. *J. S. Fullerton, Inc., New York*	112
Muzak, A Division of Wrather Corporation *Marsteller, Inc., New York*	113
National Cash Register Co. *McCann-Erickson, Inc., New York*	53
National Truck Leasing System *Klenzens-Kirkland-Stabelfeldt, Inc., Chicago*	16
New York Life Insurance Co. *Compton Advertising, Inc., New York*	6
Pitney-Bowes, Inc. *de Garmo, Inc., New York*	14-57
Royal Globe Insurance Company *Lennen & Newell, Inc., New York*	18
Ryder System, Inc. *Neals & Rickok, Inc., Orlando*	25
Schenley Industries, Inc., I.W. Harper *The Kleppner Company, New York*	4th cover
SCM Corporation, Office Equipment Division *Batten, Barton, Durstine & Osborn, Inc., New York*	30-99
Southern Company, The *Lilier, Neal, Battle & Lindsey, Inc., Atlanta*	90-91
Tennessee, State of, Industrial Development Division *Savage-Stanford-Hamilton & Kerr, Inc., Nashville, Tennessee*	16
Triangle Conduit & Cable Company, Inc. *Harold Pearson Associates Advertising, Fords, New Jersey*	22
Union Pacific Railroad *Geyer, Morey, Ballard, Inc., Omaha*	69
United States Fidelity & Guaranty Company *VanSant, Dugdale & Company, Inc., Baltimore*	19
West Chemical Products, Inc. *J.M. Mathes, Inc., New York, New York*	106
Western Girl, Inc. *Stoner & Associates Advertising Agency, San Francisco*	50
Xerox Corporation *Papert, Koenig, Lois, Inc., New York*	62-63

Regional Advertisements

Behlen Manufacturing Company, Inc. *Robert R. Sanford Advertising, Kansas City*	83
County of Erie (Buffalo Advertising Agency Council) *Cumstock & Company, Buffalo*	65
Long Island Lighting Company *Kelly, Nason, Inc., New York*	93
Marine Midland Corporation *Batten, Barton, Durstine & Osborn, Inc., New York*	101
Nation's Business	101
Olympia Typewriter Division, Inter-Continental Trading Corporation *Mann-Wesley, Inc., New York*	75
Sacramento City/County Chamber of Commerce, Industrial Div. *Gerth, Brown, Clark & Elkus, Inc., Sacramento*	80
Voca Corporation *Gordon and Weiss, Inc., Advertising, New York*	83

BUSINESS CAREERS
continued

Basic recruiting rule: Pick men on performance

fied by the man to whom the new recruit is assigned. But some companies take steps to see that it's done.

▶ Create conditions that encourage loyalty.

"Building loyalty or commitment or adhesiveness or whatever you call it involves a million things," Robert A. Deevey, director of industrial relations for Perkin-Elmer Corp., says. "For instance, we make a major effort to give personal recognition to our professional employees; and to give them the facilities, time and technical backup they need to do their work.

Keep them interested

"But I think a company mainly maintains loyalty by keeping the work provocative. Perkin-Elmer is fortunate here because we're in a growing, changing, exciting business that just in itself provides the interest and provocation that most men are looking for. But I can think of other companies that are not so lucky."

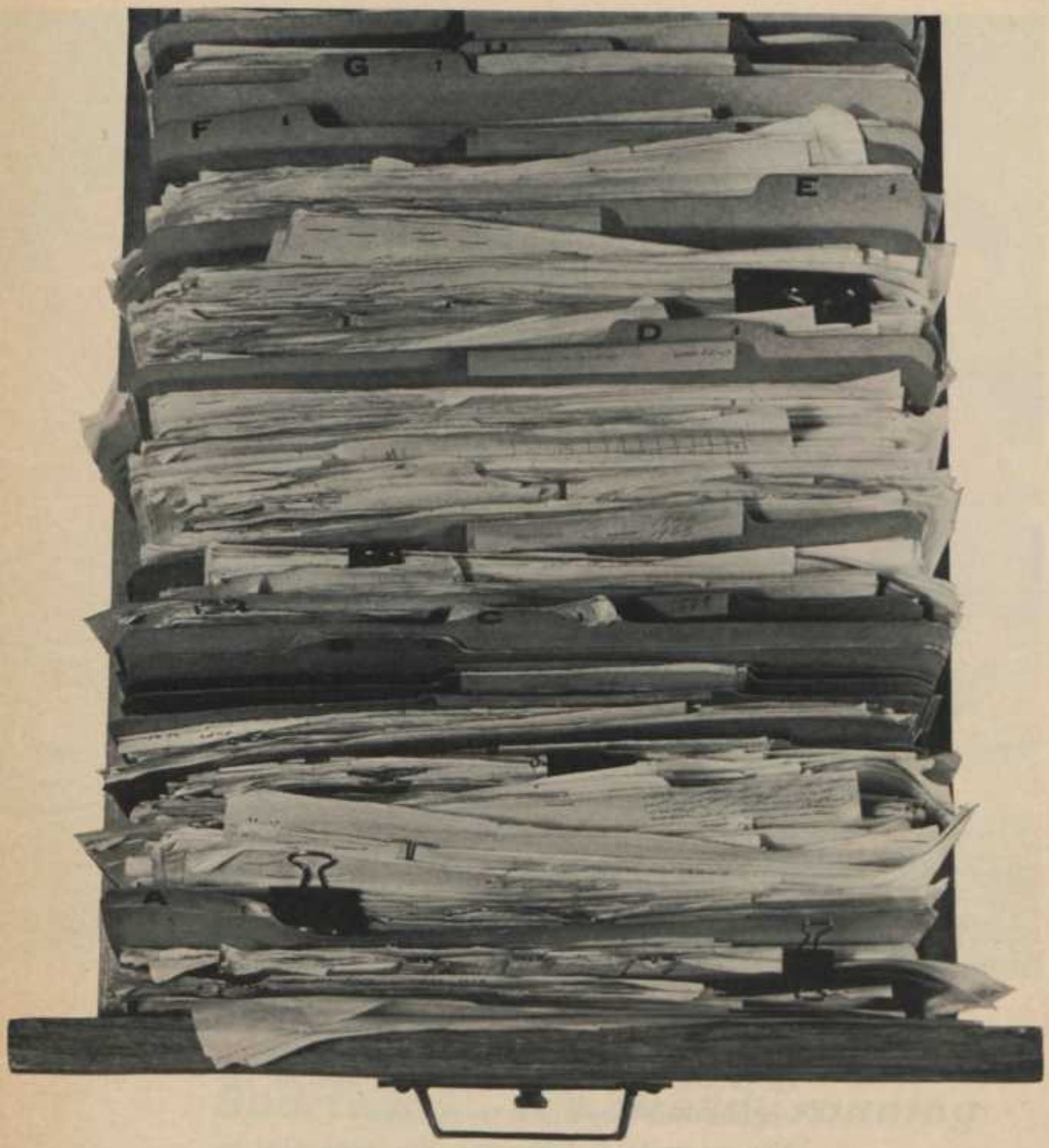
This is all too true. Many firms have trouble recruiting and to a lesser extent holding able college men simply because they are in businesses that the men consider unexciting, or backward. Yet other companies in the same fields seem to be doing well.

A case in point is a large company once looked down on by young men as unglamorous and stodgy. Several years ago, to bring in the young blood it needed, it began a small, selective management training program. Though competing with firms that are in more exciting businesses and offer much higher starting salaries, the company has succeeded in attracting and keeping an outstanding group of young men.

The secret? "We're committing ourselves to provide a real opportunity to advance rapidly to important, very well-paid positions," the program manager says.

"One thing you have to remember about these college kids: They're very opportunity oriented."

—STANLEY SCHULER



I'll never forget...ah...ah...what's-his-name

Every company has its what's-his-names—customers that somehow found their way into the inactive files.

Our Communications Consultant can show you how to turn many of these accounts around into profitable customers.

The key is phone-power—using your telephone on a planned basis to revive inactive accounts quickly and at the lowest possible cost.

Let our Communications Consultant tell you many other ways to use your phone for profit. Just call our Business Office and ask for his services.

Bell System
American Telephone & Telegraph
and Associated Companies

War is not necessarily hell

Gen. William C. Westmoreland is often under enemy fire during his 18-hour days of leading the war in Viet Nam.

To compensate him for his life and death decisions he is paid $27,400 a year.

In a much safer war—the federal government's war on poverty—the generals face nothing more harrowing than the slings and arrows of outraged unfortunates. But the pay is more generous. Even the deputy director of the war on poverty makes about $1,000 a year more than the rugged commander of American forces in the real war.

General Westmoreland's deputies are not nearly so well compensated. Take Gen. Harry W. O. Kinnard, a typical division commander with direct combat responsibilities in the real war. He earns a total of $22,630. Washington's war-on-poverty office pays its lobbyist $2,500 a year more than that. Even its top publicists make more than real generals.

Of course our courageous generals fighting the Viet Nam War aren't in it for the pay.

Nor, no doubt, is salary the only inducement to those who wave wooden swords in Washington. But, as Erasmus noted: War is sweet for those who do not really know it.



don't start that Evinrude Sportwin!...it's already running

They warned us it would happen — when we asked our engineers to make the new SPORTWIN smoother and quieter.

We told them to go ahead anyway. Fact is — there wasn't much else we could think of to do to improve the SPORTWIN for 1966.

No point in making it lower. You can fish right over the top now — just as though the motor wasn't there.

We couldn't make it any lighter and still keep it rugged.

We couldn't make it go any faster without ruining its sunny disposition. Some people swear it goes fast enough now to ski with.

There wasn't much we could add. It already has full gearshift and all deluxe features — including sixteen tilt positions — eight of them just for running in weeds and shallow water.

Oh yes — we did add a new trolling adjustment that lets you pre-set trolling speed and then return to it — automatically.

Mostly, for 1966 we made the SPORTWIN quieter. But unless we can add a warning light to let people know when it's running — we've gone about as far as we can go in that direction.

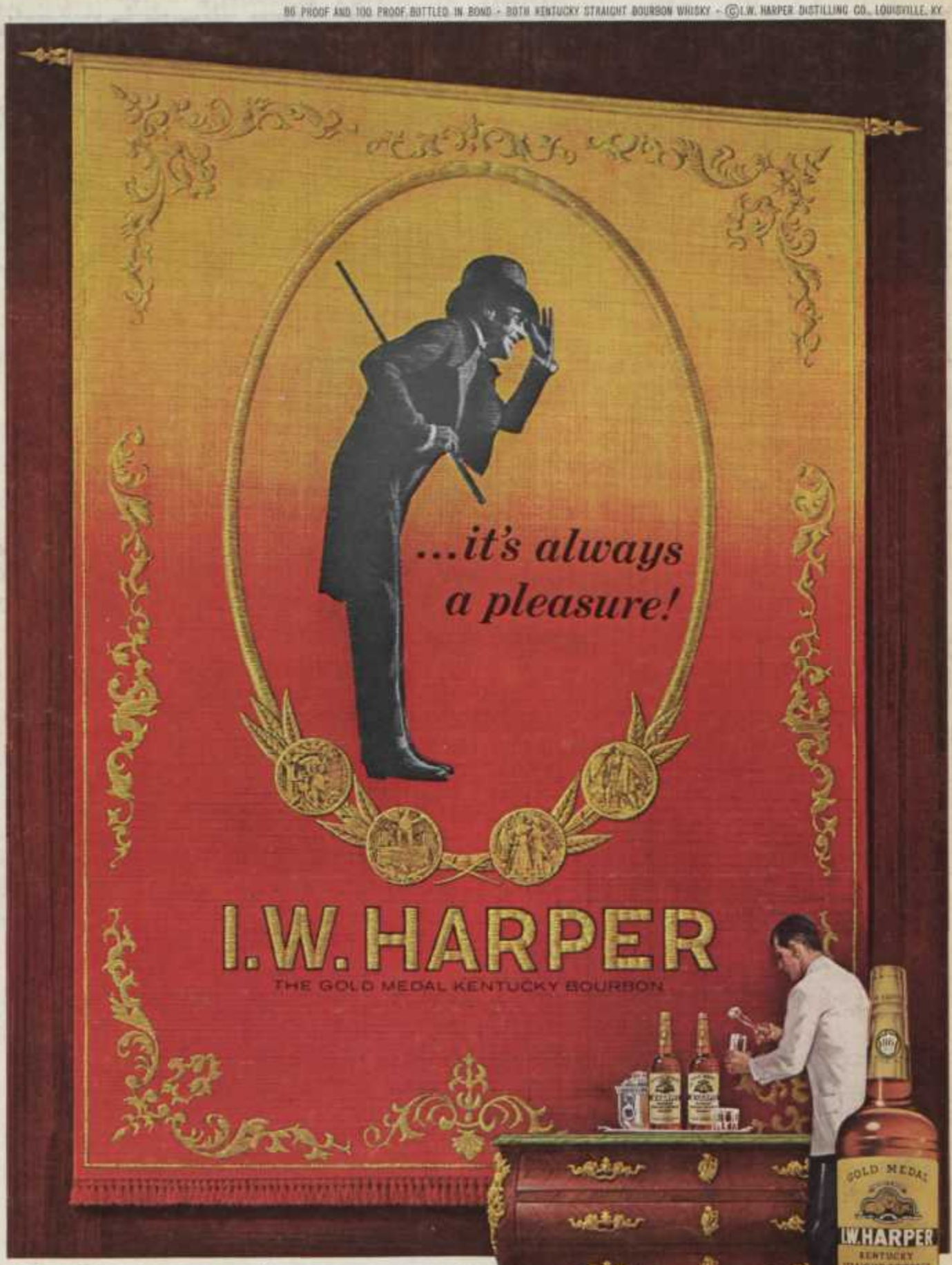
Come to think of it — this could be a pretty good year to buy yours.

See your Evinrude dealer, listed in the Yellow Pages. Catalog free. Write Evinrude Motors, 4379 N. 27th St., Milwaukee, Wis. 53216

EVINRUDE
first in outboards

GLEY MUSEUM AND LIBRARY

86 PROOF AND 100 PROOF BOTTLED IN BOND · BOTH KENTUCKY STRAIGHT BOURBON WHISKY · ©I.W. HARPER DISTILLING CO., LOUISVILLE, KY.



For the pleasure of your company!

Enjoy Prized I.W. Harper Gold Medal Bourbon or the traditional Bottled in Bond. Since 1872.